



**LESLIE GEISSLER MUNGER**  
ILLINOIS COMPTROLLER

# COMPREHENSIVE ANNUAL FINANCIAL REPORT



**ILLINOIS**  
FISCAL YEAR ENDED JUNE 30, 2015

ILLINOISCOMPTROLLER.GOV



STATE OF ILLINOIS

# Comprehensive Annual Financial Report

~ 2015 ~

*For Fiscal Year Ended June 30, 2015*

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Comptroller Leslie Geissler Munger

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# **Introductory Section**

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**Comprehensive Annual Financial Report**  
**Table of Contents**

	Page
<b>I. Introductory Section</b>	
<b>Table of Contents.....</b>	I-IV
<b>Comptroller Letter of Transmittal.....</b>	1 - 6
<b>Certificate of Achievement.....</b>	8
<b>Organizational Chart.....</b>	9
<b>II. Financial Section</b>	
<b>Independent Auditors' Report.....</b>	12 - 15
<b>Management's Discussion and Analysis.....</b>	16 - 30
<b>Basic Financial Statements</b>	
<b>Government-wide Financial Statements</b>	
Statement of Net Position.....	32 - 33
Statement of Activities.....	34 - 35
<b>Governmental Funds Financial Statements</b>	
Balance Sheet.....	36
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position.....	37
Statement of Revenues, Expenditures and Changes in Fund Balances.....	38
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to Statement of Activities.....	39
<b>Proprietary Funds Financial Statements</b>	
Statement of Net Position.....	40
Statement of Revenues, Expenses and Changes in Fund Net Position.....	41
Statement of Cash Flows.....	42 - 43
<b>Fiduciary Funds Financial Statements</b>	
Statement of Fiduciary Net Position.....	44
Statement of Changes in Fiduciary Net Position.....	45
<b>Component Units Financial Statements</b>	
Statement of Net Position.....	46 - 47
Statement of Activities.....	48 - 49
<b>Notes to the Financial Statements.....</b>	51 - 163
<b>Required Supplementary Information Other Than Management's Discussion and Analysis</b>	
Budgetary Comparison Schedule - Major Governmental Funds.....	165
Notes to Budgetary Comparison Schedule - Major Governmental Funds.....	166 - 168
Defined Benefit Pension Plans.....	169 - 173
Defined Benefit Other Postemployment Benefit Plans - Schedule of Funding Progress.....	174
<b>Combining and Individual Fund Financial Statements/Schedules</b>	
<b>General Fund</b>	
Significant General Fund Account Descriptions.....	175
Combining Schedule of Accounts - General Fund.....	176
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - General Fund.....	177
Combining Schedule of Accounts - General Fund - Medicaid Provider Assessment Program.....	178
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - General Fund - Medicaid Provider Assessment Program.....	179
<b>Nonmajor Governmental Funds</b>	
Combining Balance Sheet - Nonmajor Governmental Funds.....	180
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds.....	181
<b>Special Revenue Funds</b>	
Significant Nonmajor Governmental Special Revenue Funds Descriptions.....	183 - 185
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	186 - 187

	Page
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds.....	188 - 189
Combining Balance Sheet - Treasurer.....	190
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Treasurer.....	191
Combining Balance Sheet - Commerce and Economic Opportunity.....	192
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Commerce and Economic Opportunity.....	193
Combining Balance Sheet - Natural Resources.....	194
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Natural Resources.....	195
Combining Balance Sheet - Human Services.....	196
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Human Services.....	197
Combining Balance Sheet - Public Health.....	198
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Public Health.....	199
Combining Balance Sheet - Revenue.....	200 - 201
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Revenue.....	202 - 203
Combining Balance Sheet - Transportation.....	204
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Transportation.....	205
Combining Balance Sheet - Other Departments.....	206
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Other Departments.....	207
Combining Balance Sheet - State Board of Education.....	208
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - State Board of Education.....	209
Combining Balance Sheet - Other Agencies, Boards and Authorities.....	210
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Other Agencies, Boards and Authorities.....	211
<b>Debt Service Funds</b>	
Significant Nonmajor Governmental Debt Service Funds Descriptions.....	213
Combining Balance Sheet - Nonmajor Debt Service Funds.....	214
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Debt Service Funds.....	215
<b>Capital Projects Funds</b>	
Significant Nonmajor Governmental Capital Projects Funds Descriptions.....	217
Combining Balance Sheet - Nonmajor Capital Projects Funds.....	218
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds.....	219
Combining Balance Sheet - Transportation.....	220
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Transportation.....	221
Combining Balance Sheet - Capital Development Board.....	222
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Capital Development Board.....	223
<b>Permanent Funds</b>	
Significant Nonmajor Governmental Permanent Funds Descriptions.....	225
Combining Balance Sheet - Nonmajor Permanent Funds.....	226
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds.....	227
Combining Balance Sheet - Natural Resources.....	228
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Natural Resources.....	229
<b>Nonmajor Enterprise Funds</b>	
Significant Nonmajor Enterprise Funds Descriptions.....	231
Combining Statement of Net Position - Nonmajor Enterprise Funds.....	232
Combining Statement of Revenues, Expenses and Changes in Net Position - Nonmajor Enterprise Funds.....	233
Combining Statement of Cash Flows - Nonmajor Enterprise Funds.....	234 - 235
Combining Statement of Net Position - Student Assistance Commission.....	236
Combining Statement of Revenues, Expenses and Changes in Net Position - Student Assistance Commission.....	237
Combining Statement of Cash Flows - Student Assistance Commission.....	238

	Page
<b>Internal Service Funds</b>	
Significant Internal Service Funds Descriptions.....	239
Combining Statement of Net Position - Internal Service Funds.....	240
Combining Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds.....	241
Combining Statement of Cash Flows - Internal Service Funds.....	242 - 243
Combining Statement of Net Position - Central Management Services.....	244
Combining Statement of Revenues, Expenses and Changes in Net Position - Central Management Services.....	245
Combining Statement of Cash Flows - Central Management Services.....	246
<b>Pension (and Other Employee Benefit) Trust Funds</b>	
Pension (and Other Employee Benefit) Trust Funds Descriptions.....	247
Combining Statement of Fiduciary Net Position - Pension (and Other Employee Benefit) Trust Funds.....	248 - 249
Combining Statement of Changes in Fiduciary Net Position - Pension (and Other Employee Benefit) Trust Funds.....	250 - 251
<b>Private-Purpose Trust Funds</b>	
Significant Private-Purpose Trust Fund Description.....	253
Combining Statement of Fiduciary Net Position - Private-Purpose Trust Funds.....	254
Combining Statement of Changes in Fiduciary Net Position - Private-Purpose Trust Funds.....	255
<b>Agency Funds</b>	
Significant Agency Funds Descriptions.....	257
Combining Statement of Fiduciary Net Position - Agency Funds.....	258
Combining Statement of Changes in Assets and Liabilities - Agency Funds.....	259 - 260
Combining Statement of Fiduciary Net Position - Revenue.....	261
Combining Statement of Changes in Assets and Liabilities - Revenue.....	262 - 263
<b>Component Units</b>	
Nonmajor Component Units Descriptions.....	264
Combining Statement of Net Position - Other Authorities.....	265
Combining Statement of Activities - Other Authorities.....	266 - 267
Combining Statement of Net Position - Other Universities.....	268 - 269
Combining Statement of Activities - Other Universities.....	270 - 271
<b>Budgetary Schedules</b>	
Budgetary Schedule Descriptions.....	273
Combined Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) -	
..All Budgeted Fund Groups.....	274 - 277
..General Funds.....	278 - 279
..Highway Funds.....	280 - 282
..Special State Funds.....	284 - 285
....Code Departments.....	286 - 288
.....Healthcare and Family Services.....	290 - 292
.....Revenue.....	294 - 295
.....Other Code Departments.....	296 - 297
....Agencies, Boards and Commissions.....	298 - 299
..Bond Financed Funds.....	300 - 301
....Transportation.....	302 - 303
....Capital Development Board.....	304 - 305
..Debt Service Funds.....	306 - 307
..Federal Trust Funds.....	308 - 309
....Human Services.....	310 - 311
....State Board of Education.....	312 - 313

	Page
..State Trust Funds.....	314 - 315
....Code Departments.....	316 - 317
<b>III. Statistical Section</b>	
Table of Contents.....	321
Schedule 1 - Net Position by Component, Last Ten Fiscal Year Ends.....	322 - 323
Schedule 2 - Fund Balances, Governmental Funds, Last Ten Fiscal Year Ends.....	322 - 323
Schedule 3 - Changes in Net Position, Last Ten Fiscal Years.....	324 - 327
Schedule 4 - Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years.....	328 - 329
Schedule 5 - Personal Income by Industry, Last Ten Calendar Years.....	330 - 331
Schedule 6 - Taxable Sales by Industry, Last Ten Fiscal Years.....	330 - 331
Schedule 7 - Personal Income Tax Filers and Liability by Income Level, Calendar Years 2014 and 2005.....	332
Schedule 8 - Sales Tax Revenue Payers by Industry, Fiscal Years 2015 and 2006.....	333
Schedule 9 - Ratios of Outstanding Debt by Type, Last Ten Fiscal Years.....	334 - 335
Schedule 10 - Ratios of General Bonded Debt Outstanding and Debt Limitations, Last Ten Fiscal Years.....	336 - 337
Schedule 11 - Pledged Revenue Coverage, Last Ten Fiscal Years.....	338 - 340
Schedule 12 - Demographic and Economic Statistics, Last Ten Calendar Years.....	342 - 343
Schedule 13 - Principal Employers, Fiscal Years 2015 and 2006.....	344
Schedule 14 - Employees by Function, Last Ten Fiscal Years.....	346 - 347
Schedule 15 - Operating Indicators by Function/Program, Last Ten Fiscal Years.....	348 - 349
Schedule 16 - Capital Asset and Infrastructure Statistics by Function/Program, Last Ten Fiscal Years.....	350 - 351



# STATE OF ILLINOIS COMPTROLLER

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## LESLIE GEISSLER MUNGER

March 22, 2016

To the Citizens of the State of Illinois,  
Honorable Bruce Rauner, Governor and  
Honorable Members of the General Assembly:

I am pleased to present to you the ***State of Illinois Comprehensive Annual Financial Report (CAFR)*** for the year ended June 30, 2015. The CAFR is the State's official annual report which provides the readers with the financial position of the State as of June 30, 2015, and results of operations during the fiscal year. The report is intended to provide the State's taxpayers, managers, investors, creditors, lawmakers, and other users with information in accordance with generally accepted accounting principles (GAAP). Responsibility for the accuracy of the data as well as the completeness and fairness of presentation of this report rests with my Office and other State agency management.

The Management's Discussion and Analysis (MD&A), which begins on page 16 of this report, provides a narrative introduction, overview, and analysis to the accompanying basic financial statements. This letter is intended to complement the MD&A and should be read in conjunction with the MD&A. The accompanying basic financial statements are prepared in conformity with GAAP applicable to State governments as prescribed by the Governmental Accounting Standards Board (GASB). This Office supports the GASB, contributed to its formation, and participates in the development of pronouncements by submitting comments and recommendations as proposed standards are distributed for exposure.

The CAFR includes information on all funds, elected offices, departments, and agencies of the State, as well as all boards, commissions, authorities, and universities for which the State's executive, legislative, and judicial branches are financially accountable. The financial statements distinguish between primary government organizations and component units. The primary government is the nucleus of the financial reporting entity and is the focal point for the users of the financial statements. The primary government of the State consists of all the organizations that make up its legal entity. All funds, departments, agencies, offices, and other organizations that are not legally separate are, for financial reporting purposes, part of the primary government. Component units are legally separate organizations for which the State is financially accountable.

The financial activities of the State are organized on the basis of individual funds, each of which is a separate accounting entity segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with specific regulations, restrictions, and limitations. Major funds are the focus of the State's financial statements and include the General Fund (including the General Revenue Account, the Education Assistance Account, the Common School Account, and the Medicaid Provider Assessment Accounts), the Road Fund, the State Construction Account, the Unemployment Compensation Trust Fund, the Water Revolving Fund, and the Prepaid Tuition Fund. The reporting entity, major funds, and fund types are described in detail in Note 1 to the financial statements. To ensure readability of the financial statements,

generally only funds with total assets and deferred outflows of resources, liabilities and deferred inflows of resources, fund balances/net position, revenues, or expenditures/expenses greater than 2% of the total for that fund type are presented separately in the individual fund financial statements, except component units where all component units are presented, and special revenue funds where funds greater than 1% of the total are presented. Combination of funds is necessary due to the existence of approximately 800 funds in the State's reporting entity. Funds used by more than one agency are classified with what is determined to be the primary administering agency.

### ***Internal Controls***

Each State agency's management is responsible for establishing and maintaining internal controls designed to ensure that the assets of the State are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The State's internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

On October 31, 1989, the Fiscal Control and Internal Auditing Act (FCIAA) became law, requiring all State agency chief executive officers to annually certify the adequacy of internal controls in place within their agencies and that selected agencies employ a chief internal auditor with a specified minimum level of professional competency.

### ***Independent Audit***

The Illinois Auditor General has performed an audit of the accompanying basic financial statements in accordance with generally accepted auditing standards in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. His unmodified opinion appears at the beginning of the financial section of this report. In addition, the Illinois Auditor General conducts an annual audit pursuant to the requirements set forth in the Federal Single Audit Act Amendments of 1996 and the related U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. This report is issued separately.

## **PROFILE OF THE STATE**

Illinois, located in the Midwest, became the twenty-first state in 1818. The State has 56,400 square miles and is the 24th largest state in size. Per the 2010 census, Illinois is the 5<sup>th</sup> largest state in population with approximately 12.8 million residents.

Illinois' government is divided into three branches: executive, legislative, and judicial. An organizational chart, showing the relationships between the Citizens of the State of Illinois, the three branches of Illinois State government, and those of the various agencies, boards, commissions, and universities which provide a full range of State government services, is presented on page 9.

The State provides a full range of services including: the construction and maintenance of highways and infrastructure, education, social and health services, public safety, conservation of

natural resources, economic development, and recreation facilities and development. The State of Illinois is also financially accountable for three separate entities which have been included as a part of the State's financial statements. In addition, the State of Illinois is financially accountable for 16 legally separate entities which have been reported separately within the State's financial statements. Additional information on all of these legally separate entities can be found in the notes to the financial statements.

The Comptroller's Statewide Accounting Management System (**SAMS**) provides the basis for receipt, expenditure, and encumbrance reporting of all State treasury held funds with specific budgetary controls maintained on line-item expenditures for all appropriated funds. Appropriations (budget) and actual expenditure analysis for significant individual funds is provided in the Budgetary Schedules section of this report.

The State of Illinois has a two-month "lapse period." During this time, July 1 to August 31, State agencies can expend funds appropriated in the prior fiscal year if encumbered by June 30. For all fund types, goods or services received prior to June 30 are recorded as liabilities and expenditures or expenses, whichever is appropriate. For governmental fund types, lapse period expenditures for goods encumbered as of June 30 and received prior to August 31 are reported within the existing fund balance classifications at June 30 and not as liabilities or expenditures. Public Act 97-0691 extended the lapse period to December 31 for fiscal year 2013 and future fiscal years for medical assistance payments of the Department of Healthcare and Family Services.

Many State programs are accounted for in the General Fund. As analyzed in the MD&A, the GAAP basis financial position of the General Fund at June 30, 2015, decreased from June 30, 2014. The fund deficit in the State's General Fund increased by \$175 million on a GAAP basis, from a deficit of \$6.678 billion to a deficit of \$6.853 billion. On the *budgetary basis*, there was a \$2.900 billion fund deficit at June 30, 2015, compared to a \$3.931 billion fund deficit at June 30, 2014, resulting in a \$1.031 billion decrease in the budgetary deficit.

## **FACTORS AFFECTING FINANCIAL CONDITION**

### ***Economy***

Illinois has a broadly diversified economy with an employment base that closely mirrors the national economy. The State continues to have a vigorous service sector with strength in professional and business services, education and healthcare services, and leisure and hospitality services. While retaining a sizeable manufacturing sector, its relative significance has decreased over the years, consistent with national trends. The largest private employers in Illinois include major retailers, large healthcare providers, equipment manufacturers, and nationwide financial service providers.

According to the U.S. Bureau of Labor Statistics, Illinois averaged 5.903 million nonfarm payroll jobs and an unemployment rate of 6.2% in fiscal year 2015.

## **MAJOR INITIATIVES**

The following initiatives were among those instituted in Illinois state government in recent years to address issues affecting the State's revenues, cash management, and expenditures.

### ***Revenue Initiative***

Effective for calendar year 2011, the legislature voted to raise the individual income tax rate from 3% to 5% and the corporate income tax rate from 4.8% to 7%. For individual income taxes, the 5% rate dropped to 3.75% in January 2015 and is scheduled to then fall to 3.25% in 2025. The 7% corporate rate dropped to 5.25% in January 2015 and is scheduled to then fall to 4.8% in 2025.

### ***Transfers to Defray Operating Costs***

Public Act 92-0002, which became effective March 26, 2015, allowed for the transfer of approximately \$1.284 billion to the General Fund from various other state funds, to help defray operating costs. This infusion of cash into the General Fund allowed for payment of a large amount of federally reimbursable bills, which in turn, increased federal revenue.

In addition, during fiscal year 2015, under the authority of Public Act 98-0682, the Governor elected to utilize interfund borrowing to transfer approximately \$454 million to the General Fund from various other state funds. The Act requires repayment of the funds within 18 months from the date borrowed.

### ***Pensions***

On December 5<sup>th</sup>, 2013, the Governor signed into law Public Act 98-0599, which provided for significant pension reform to the General Assembly Retirement System, State Employees' Retirement System, Teachers' Retirement System and State Universities Retirement System. The most significant changes included a reduction of the automatic annual increase, capping pensionable earnings of employees and delaying the retirement age for members. The State would have also been required to make additional contributions which would aid in reducing the unfunded liability.

The Act was scheduled to become effective on June 1, 2014; however, several lawsuits were filed challenging the constitutionality of Public Act 98-0599. In May 2014, the circuit court issued a temporary injunction delaying the implementation of the new law until the court ruled on the consolidated lawsuit. In November 2014, the circuit court ruled the act unconstitutional under the Pension Protection Clause stating the pension benefits cannot be diminished or impaired. The State appealed the ruling to the Illinois Supreme Court, and in May 2015, the Illinois Supreme Court upheld the circuit court ruling.

## **LONG-TERM FINANCIAL PLANNING AND RELEVANT FINANCIAL POLICIES**

The fiscal year 2015 CAFR reveals continuing underlying financial weaknesses which significantly impact the State's overall fiscal health in regards to deferred liabilities, ongoing

operational concerns related to cash management and long-term concerns related to pension and other postemployment obligations.

### ***Deferred Liabilities***

Section 25 of the State Finance Act permits the payment of selected prior year expenses, primarily Medicaid, in the current fiscal year. The section was originally created to address billing and adjudication issues connected with such expenditures. Over the past two decades, however, it has become a common practice to defer liabilities utilizing Section 25, effectively reducing the appropriation levels needed to fund certain programs within any given fiscal year and pushing expenditures into the next fiscal year. In more recent years, Section 25 has been revised to more specifically define expenses eligible under the section and to gradually reduce the amount of payments made under the section through 2021. The State ended fiscal year 2015 with \$1.913 billion in such costs. This represents a decrease of \$138 million from the fiscal year 2014 balance of \$2.051 billion.

### ***Cash Management***

Cash flow continues to be an issue as Illinois has had a running General Revenue Fund deficit defined as bills on hand exceeding available cash, with few exceptions, since November of 2000. Cash management practices are greatly affected by the aforementioned budgetary practices in relation to deferred liabilities which place additional pressure in the first and second quarters of the year to pay those expenses. Additionally, the majority of the State's tax collections are received in the second half of the fiscal year with large income tax collections arriving in the spring of each year which further contributes to the payment delays seen within the fiscal year.

In 2000, legislation was enacted to create the State's Budget Stabilization Fund in order to assist the State in meeting cash flow deficits as needed. The statutory goal for funding this reserve was set at five percent of General Fund's revenues in any given year. As of June 30, 2015, the balance in the Budget Stabilization Fund was \$275.7 million, an amount insufficient in practical terms to address the State's annual cash management needs and timing variations between spending and revenues, both recent and historical, and significantly less than the amount envisioned when the Act was created.

### ***Pension Obligations***

Legislation enacted in 1995 set a long-term funded ratio (assets to actuarial accrued liabilities) target for the State's five retirement systems at 90% and established a plan for contributions in order for the State to reach this target by fiscal year 2045. For fiscal year 2006 through fiscal year 2007, the relevant State statutes were amended to allow for significantly lower State contribution levels to the retirement systems with levels increasing in fiscal years 2008, 2009, and 2010 before returning to the mandated levels of the 1995 law for fiscal year 2011. Additionally, in fiscal year 2004, 2010, and 2011, general obligation pension bonds were issued in the amounts of \$10.0 billion, \$3.5 billion and \$3.7 billion, respectively.

The State adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, which is effective for the fiscal year ending June 30, 2015. The new accounting and reporting standard required the State to recognize a net pension liability of \$108.665 billion at June 30, 2015.

### ***Other Postemployment Obligations***

The State performed an actuarial valuation as of June 30, 2014, of the health, dental, vision, and life insurance benefits promised to retirees. The valuation reported a \$33.051 billion actuarial liability with no assets currently set aside to fund the liability as the State uses a “pay-as-you go” method to make payments for retirees’ benefits. Valuations are performed biennially.

### ***Debt Management***

Public Act 93-0839 known as the Debt Responsibility Act, effective July 30, 2004, placed new restrictions on the issuance of general obligation bonds. At least 25% of general obligation bonds issued within a year must be sold pursuant to notice of sale and public bid. General obligation bonds must be issued with equal principal or mandatory redemption amounts in each fiscal year following the year of issuance for a term not to exceed 25 years. General obligation bonds may not be issued if, in the next fiscal year after issuance, the amount of debt service on all then outstanding general obligation bonds exceeds 7% of the General and Road Fund appropriations for the fiscal year immediately preceding the issuance unless the Comptroller and Treasurer waive this requirement. No general obligation refunding bonds can be issued unless the refunding produces a net present value savings of at least 3% of the bonds being refunded and the maturities of the refunding bonds do not extend beyond the maturities of the bonds being refunded.

## **CERTIFICATE OF ACHIEVEMENT**

The Government Finance Officers Association of the United States and Canada (“GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting (“Certificate”) to the State of Illinois for its comprehensive annual financial report (“CAFR”) for the fiscal year ended June 30, 2014, which was the thirty-first consecutive year that the State has received this prestigious award in governmental financial reporting. In order to be awarded a Certificate, the State of Illinois published an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate is valid for a period of one year only. As this current comprehensive annual financial report is expected to meet the Certificate of Achievement Program’s requirements, it is being submitted to the GFOA to determine its eligibility for another certificate.

## **ACKNOWLEDGMENTS**

The preparation of the State’s Comprehensive Annual Financial Report was made possible by the due diligence of my staff, the Auditor General’s Office, and all State agencies who submitted timely information during this year’s GAAP financial statement process. Their hard work and dedication has resulted in an excellent financial report of which we can be proud. I express my gratitude to all of those involved for this tremendous cooperative effort.

Sincerely,

Leslie Geissler Munger  
Comptroller

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Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**State of Illinois**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

A handwritten signature in black ink, appearing to read "Jeffrey R. Einer".

Executive Director/CEO

# STATE OF ILLINOIS

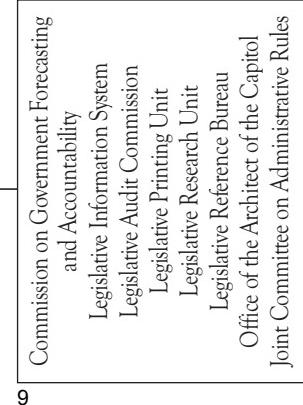
Organizational Chart  
June 30, 2015



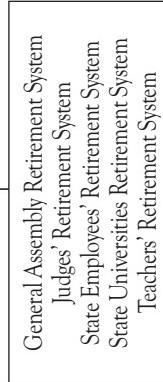
## Legislative Branch



### Legislative Support Agencies



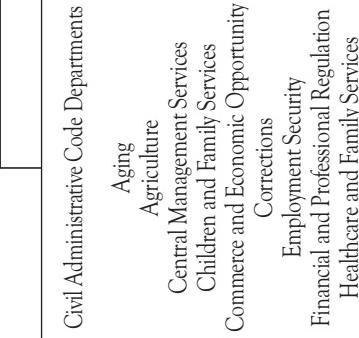
### Pension Systems



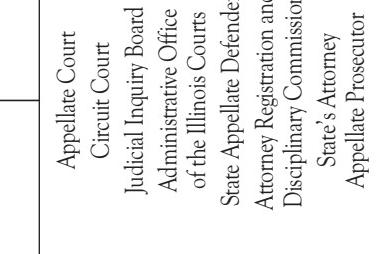
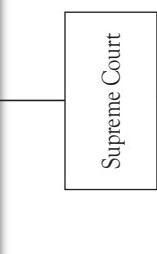
## Executive Branch



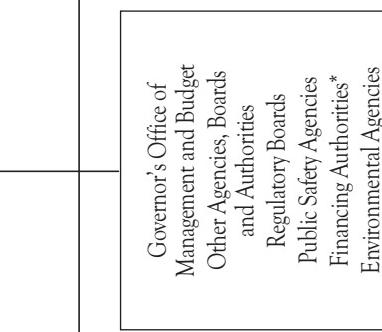
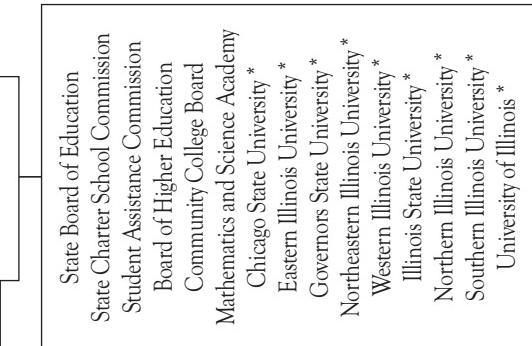
### Legislative Support Agencies



## Judicial Branch



### Education



\* Component Unit -  
not part of  
Primary Government

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# Financial Section

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OFFICE OF THE AUDITOR GENERAL  
**FRANK J. MAUTINO**

**INDEPENDENT AUDITORS' REPORT**

Honorable Michael J. Madigan, Speaker of the House  
Honorable John J. Cullerton, President of the Senate  
Members of the General Assembly  
Honorable Bruce Rauner, Governor  
Honorable Leslie Geissler Munger, Comptroller

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Illinois, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the State of Illinois' basic financial statements as listed in the Table of Contents for Section II of the Illinois Comprehensive Annual Financial Report.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of certain university related organizations, which represent 10%, 20%, 5%, and 5%, respectively, of the total assets, total net position, total revenues, and total expenses of the aggregate discretely presented component unit amounts. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these university related organizations, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information for the State of Illinois, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matters***

As discussed in Note 2 to the financial statements, the financial statements have been restated as of July 1, 2014 for prior year errors and the implementation of GASB Statement 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. Our opinion is not modified with respect to this matter.

The deficit for net position of governmental activities in fiscal year 2015 continued to increase by \$4,095,908,000, from \$121,211,269,000 at June 30, 2014, as restated, to \$125,307,177,000 at June 30, 2015. This deficit, which is presented on an accrual basis, is the excess of total liabilities and deferred inflows of resources over total assets and deferred outflows of resources and represents a deferral of current and prior year costs to future periods. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, Defined Benefit Pension Plan Schedules and Defined Benefit Other Postemployment Benefit Plans - Schedules of Funding Progress on pages 16-30, 165-168, 169-173 and 174 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the

information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Illinois' basic financial statements. The combining and individual fund financial statements and schedules and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2016 on our consideration of the State of Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Illinois' internal control over financial reporting and compliance.



FRANK J. MAUTINO  
Auditor General  
State of Illinois



BRUCE L. BULLARD, CPA  
Director of Financial and Compliance Audits  
Office of the Auditor General

Springfield, IL  
March 22, 2016

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following is a discussion and analysis of the State of Illinois' (the State's) financial performance providing an overview of the activities for the fiscal year ended June 30, 2015. Please read it in conjunction with the transmittal letter and with the State's financial statements which follow this section.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is an introduction to the State's basic financial statements which comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition, this discussion and analysis also contains information on other supplementary information included in this report.

#### **Government-wide Statements (Reporting the State as a Whole)**

The Statement of Net Position and the Statement of Activities are two financial statements that report information about the State, as a whole, and about its activities. These statements include all non-fiduciary assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, and expenses using the accrual basis of accounting.

The Statement of Net Position (pages 32 and 33) presents net position as the difference between the State's non-fiduciary assets plus deferred outflows of resources less liabilities less deferred inflows of resources. Over time, increases and decreases in net position measure whether the State's financial position is improving or deteriorating.

The Statement of Activities (pages 34 and 35) presents all of the State's non-fiduciary revenues and expenses with the difference showing how the State's net position changed during the current fiscal year. All changes in net position are reported as soon as the underlying events giving rise to the change occur regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and unused accrued absences).

Both statements report three activities:

- *Governmental Activities* – Most of the State's basic services are reported under this category. Taxes and intergovernmental revenues generally fund these services. The Legislature, the Judiciary, Elected Officials, and the general operations of the Executive departments fall within the governmental activities.
- *Business-type Activities* – The State charges fees to customers to help it cover all or most of the cost of certain services provided by the State. Lottery tickets and the State's unemployment compensation services are examples of business-type activities.
- *Discretely Presented Component Units* – Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The State has 5 authorities, 9 universities, and 2 other organizations that are reported as discretely presented component units of the State.

Included within the basic financial statements are two schedules (pages 37 and 39) that reconcile the amounts reported on the governmental fund financial statements (modified accrual accounting) with governmental activities on the appropriate government-wide statements (accrual accounting). Modified accrual accounting focuses on current financial resources, which are the

resources available for spending in the near future (defined by the State as 60 days). Accrual accounting reports the total economic resources similar to a private-sector business. The following summarizes some of the differences in modified accrual and accrual accounting:

- Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds statements.
- Prepaid expenses for governmental activities are current uses of financial resources of funds and therefore are not reported in the governmental funds statements.
- Deferred insurance costs are capitalized and amortized as governmental activities, but reported as expenditures in the governmental funds statements.
- Internal service funds are reported as governmental activities, but reported as proprietary funds in the fund financial statements.
- Certain revenues that are earned, but not available, are reported as revenues of governmental activities, but are reported as unavailable revenue on the governmental funds statements.
- Unless due and payable, long-term liabilities and related deferred outflows/inflows of resources, such as capital lease obligations, installment purchases agreements, compensated absences, certificates of participation, net pension liabilities, net other postemployment benefit obligations, and bonds and notes payable appear as liabilities and related deferred outflows/inflows of resources in the government-wide statements but are not reported in the governmental funds statements.
- Capital outlay spending results in recording capital assets on the government-wide statements, but is reported as expenditures on the governmental fund statements.
- Bond and note proceeds result in liabilities on the government-wide statements, but are recorded as other financing sources on the governmental fund statements.
- Certain other outflows represent either increases or decreases in liabilities on the government-wide statements, but are reported as expenditures on the governmental funds statements.

The Notes to the Basic Financial Statements provide additional information that is integral to understanding the data provided in the government-wide and fund financial statements. The notes can be found beginning on page 51 of this report.

### **Fund Financial Statements (Reporting the State's Major Funds)**

The fund financial statements begin on page 36 and provide more detail than the government-wide financial statements, concentrating on information about the major individual funds. A fund is a fiscal and accounting entity with a self-balancing set of accounts that the State uses to keep track of specific sources of funding and spending for a particular purpose. In addition to the major funds, individual fund data for the nonmajor funds is presented beginning on page 175. The State's funds are divided into three categories – governmental, proprietary, and fiduciary – with each using a different accounting method.

*Governmental funds* – Most of the State's basic services are reported in the governmental funds which focus on how monies flow into and out of those funds and the balances left at year-end that are available for future spending. The governmental fund financial statements provide a detailed short-term view of the State's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the State's programs. Governmental funds are reported using modified accrual accounting which measures cash and all other financial assets that can readily be converted to cash and

liabilities that are due in the current period. Governmental funds include the General Fund and special revenue, capital project, debt service, and permanent funds.

*Proprietary funds* – When the State charges customers for the services it provides, whether to outside customers or to other agencies within the State, these services are generally reported in proprietary funds. Proprietary funds (enterprise and internal service) utilize accrual accounting; the same method used by private sector businesses. Enterprise funds report activities that provide supplies and services to the general public. An example is the State Lottery Fund. Internal service funds report activities that provide supplies and services for the State's other programs and activities such as the State's Communications Revolving Fund. The State's internal service funds are reported as governmental activities on the government-wide statements.

*Fiduciary funds* – The State acts as a trustee or fiduciary for its employee pension plans. The State is also responsible for other assets that, because of a trust arrangement or other contractual arrangement, can be used only for the trust beneficiaries. The State's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position beginning on page 44. These funds, which include pension (and other employee benefit) trust, private-purpose trust, investment trust, and agency funds, are reported using accrual accounting. The government-wide statements exclude fiduciary fund activities and balances because these assets are restricted in purpose and do not represent discretionary assets of the State to finance its operations.

### **Additional Required Supplementary Information**

Following the basic financial statements is additional Required Supplementary Information that further explains and supports the information in the financial statements. The Required Supplementary Information includes budgetary comparison schedules reconciling the statutory and generally accepted accounting principles (GAAP) net change in fund balances at fiscal year-end, net pension liability and contribution schedules of the State's retirement systems, and funding progress of other postemployment benefit plans.

### **Other Supplementary Information**

Other supplementary information includes two components: 1) combining financial schedules for the General Fund, nonmajor governmental funds, proprietary and fiduciary funds and nonmajor discretely presented component units and 2) combining budgetary schedules using the terminology and classification of funds used by the State for budgetary purposes. The combining financial statements present by fund category, and then by fund type, the amounts presented in the nonmajor funds column in the fund financial statements.

## **FINANCIAL ANALYSIS OF THE STATE**

The State's combined net position decreased \$75.748 billion or 167.5% during the current fiscal year. The net position of the State's governmental activities decreased \$76.249 billion or 155.4% and the net position of the State's business-type activities increased \$501 million or 13.1%. Of the combined net position decrease of \$75.748 billion, \$72.392 billion is due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The following condensed financial information was derived from the government-wide Statement of Net Position and reflects the State's financial position as of June 30, 2015 and 2014:

	Net Position as of June 30 (in millions of dollars)					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Assets and deferred outflows of resources:						
Current and other non-current assets	\$ 19,089	\$ 23,398	\$ 8,105	\$ 7,952	\$ 27,194	\$ 31,350
Capital assets	21,976	21,595	6	7	21,982	21,602
Deferred outflows of resources	10,563	214	50	2	10,613	216
Total assets and deferred outflow of resources	51,628	45,207	8,161	7,961	59,789	53,168
Liabilities and deferred inflows of resources:						
Other liabilities	18,046	19,316	957	897	19,003	20,213
Long-term liabilities	153,042	74,949	2,820	3,191	155,862	78,140
Deferred inflows of resources	5,847	-	60	50	5,907	50
Total liabilities and deferred inflows of resources	176,935	94,265	3,837	4,138	180,772	98,403
Net position:						
Invested in capital assets	15,181	15,097	6	7	15,187	15,104
Restricted	3,441	4,142	5,240	4,911	8,681	9,053
Unrestricted	(143,929)	(68,297)	(922)	(1,095)	(144,851)	(69,392)
<b>Total net position</b>	<b>\$ (125,307)</b>	<b>\$ (49,058)</b>	<b>\$ 4,324</b>	<b>\$ 3,823</b>	<b>\$ (120,983)</b>	<b>\$ (45,235)</b>

The State's largest asset is its capital assets (\$21.982 billion) consisting of land, buildings, equipment, infrastructure, and other items with estimated useful lives of greater than one year. The largest portion of the State's long-term liabilities is its net pension liability (\$108.665 billion) and bonds payable obligation (\$32.496 billion), including unamortized premiums and discounts. The State's net position includes the State's investment in capital assets, less any related debt that was recorded to acquire or construct the assets. The restricted net position balance consists of resources subject to external restrictions or enabling legislation as to their use. The remaining portion, unrestricted net position, is the net position available to be used at the State's discretion or need, to be replenished by revenues in future periods.

The State's assets and deferred outflows of resources increased \$6.621 billion from \$53.168 billion at June 30, 2014, to \$59.789 billion at June 30, 2015, due mainly to \$2.551 billion less in cash held at the State Treasury and \$1.705 billion less in securities lending collateral of the State Treasurer, offset by an increase of \$10.397 billion in deferred outflows of resources. The State's increase in liabilities and deferred inflows of resources of \$82.369 billion from \$98.403 billion at June 30, 2014, to \$180.772 billion at June 30, 2015, resulted mainly due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. More detailed information regarding the net pension liability and related amounts is presented in Note 16 of the financial statements on page 136. Other significant changes included increases in the State's net other postemployment benefit obligation of \$1.483 billion offset by a decrease in bonds payable of \$3.002 billion.

The following condensed financial information was derived from the government-wide Statement of Activities and reflects the State's change in net position during the current fiscal year:

Changes in Net Position for Fiscal Year Ending June 30 (in millions of dollars)								
	Governmental Activities		Business-type Activities		Total Primary Government		Total Percentage Change	
	2015	2014	2015	2014	2015	2014		2014 to 2015
<b>Revenues</b>								
Program revenues								
Charges for services	\$ 3,022	\$ 3,248	\$ 5,510	\$ 5,851	\$ 8,532	\$ 9,099		(6.2%)
Operating grants and contributions	21,882	19,929	270	943	22,152	20,872		6.1%
Capital grants and contributions	1,524	1,673	-	-	1,524	1,673		(8.9%)
General revenues								
Income taxes	19,882	20,992	-	-	19,882	20,992		(5.3%)
Sales taxes	10,997	10,585	-	-	10,997	10,585		3.9%
Motor fuel taxes	1,292	1,273	-	-	1,292	1,273		1.5%
Public utility taxes	1,461	1,469	-	-	1,461	1,469		(0.5%)
Riverboat taxes	498	521	-	-	498	521		(4.4%)
Medical providers assessment taxes	1,401	1,673	-	-	1,401	1,673		(16.3%)
Other taxes	2,843	2,307	-	-	2,843	2,307		23.2%
Interest and investment earnings	64	61	51	35	115	96		19.8%
Other revenue	777	1,343	-	-	777	1,343		(42.1%)
<b>Total revenues</b>	<b>65,643</b>	<b>65,074</b>	<b>5,831</b>	<b>6,829</b>	<b>71,474</b>	<b>71,903</b>		<b>(0.6%)</b>
<b>Expenses</b>								
Health and social services	29,745	27,342	-	-	29,745	27,342		8.8%
Education	19,302	19,049	-	-	19,302	19,049		1.3%
General government	2,717	2,449	-	-	2,717	2,449		10.9%
Employment and economic development	1,251	1,272	-	-	1,251	1,272		(1.7%)
Transportation	5,133	5,104	-	-	5,133	5,104		0.6%
Public protection and justice	3,601	3,394	-	-	3,601	3,394		6.1%
Environment and business regulation	1,104	1,051	-	-	1,104	1,051		5.0%
Unemployment compensation fund	-	-	1,842	2,759	1,842	2,759		(33.2%)
Water revolving fund	-	-	44	37	44	37		18.9%
Prepaid tuition programs	-	-	28	26	28	26		7.7%
Designated account purchase program fund	-	-	15	18	15	18		(16.7%)
Lottery	-	-	2,139	2,085	2,139	2,085		2.6%
Federal student loans	-	-	133	168	133	168		(20.8%)
Student loan operating fund	-	-	27	27	27	27		0.0%
Other business-type activities	-	-	84	77	84	77		9.1%
Intergovernmental	5,956	5,670	-	-	5,956	5,670		5.0%
Interest	1,709	1,783	-	-	1,709	1,783		(4.2%)
<b>Total expenses</b>	<b>70,518</b>	<b>67,114</b>	<b>4,312</b>	<b>5,197</b>	<b>74,830</b>	<b>72,311</b>		<b>3.5%</b>
Excess (deficiency) before transfers	(4,875)	(2,040)	1,519	1,632	(3,356)	(408)		(722.5%)
Transfers	779	834	(779)	(834)	-	-		0.0%
<b>Increase (decrease) in net position</b>	<b>(4,096)</b>	<b>(1,206)</b>	<b>740</b>	<b>798</b>	<b>(3,356)</b>	<b>(408)</b>		<b>(722.5%)</b>
Net position - beginning, as restated *	(121,211)	(47,852)	3,584	3,025	(117,627)	(44,827)		(162.4%)
Net position - ending	<b>\$ (125,307)</b>	<b>\$ (49,058)</b>	<b>\$ 4,324</b>	<b>\$ 3,823</b>	<b>\$ (120,983)</b>	<b>\$ (45,235)</b>		<b>(167.5%)</b>

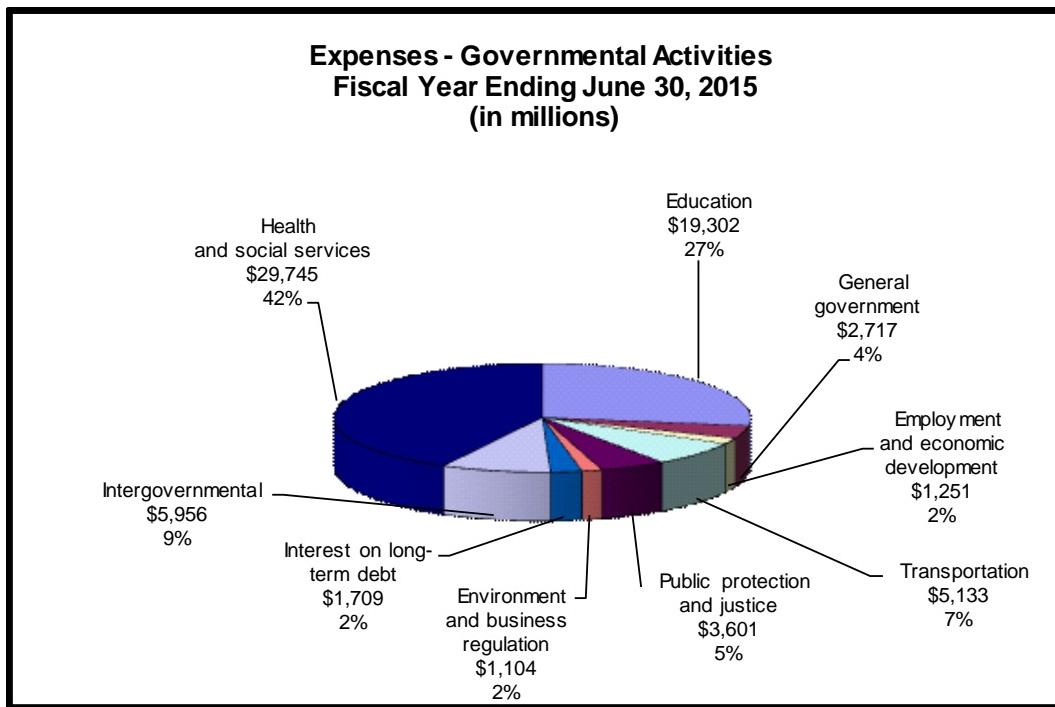
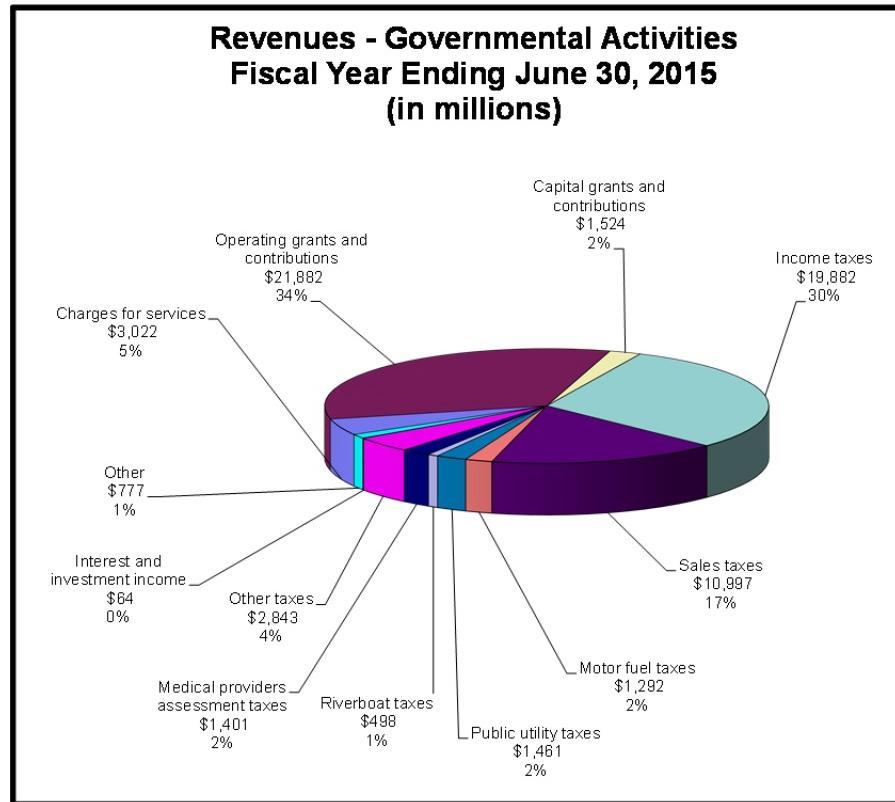
\*The 2015 beginning net position has been restated to reflect the implementation of GASB 68 "Accounting and Financial Reporting for Pensions" during 2015.

## **Governmental Activities:**

Governmental activities of the State are financed primarily through taxes collected. The functions reported for governmental activities consist of the following:

- *Health and social services* – The health and social services function consists of programs such as Medicaid, Temporary Assistance for Needy Families (TANF), and Child Support Enforcement which are administered mostly by the Department of Healthcare and Family Services, the Department of Human Services, and the Department of Children and Family Services.
- *Education* – The education function consists of support for local public school districts and post-secondary institutions administered mostly by the State Board of Education, the State Board of Higher Education, and the Illinois Community College Board.
- *General government* – The general government consists of the day-to-day operations of the State performed mostly by the Elected Officials, Members of the General Assembly, the Department of Central Management Services, and the Department of Revenue.
- *Employment and economic development* – The employment and economic development function consists of job training for citizens and support for the growth of public sector commerce administered mostly by the Department of Commerce and Economic Opportunity and the Department of Employment Security.
- *Transportation* – The transportation function consists of support for building and maintaining infrastructure capital assets owned by the State and owned by local governments of the State which is administered mostly by the Department of Transportation.
- *Public protection and justice* – The public protection and justice function consists of law enforcement functions of the State and other public safety regulatory programs performed mostly by the Department of Corrections and the Department of State Police.
- *Environment and business regulation* – The environment and business regulation function consists of regulation of the environment of the State and regulation of various business types in the State performed mostly by the Environmental Protection Agency, the Department of Commerce and Economic Opportunity, the Department of Natural Resources, the Department of Financial and Professional Regulation, and the Department of Labor.

The following charts display revenues and expenses of the State for governmental activities during the fiscal year:



The State's governmental activities revenues increased \$569 million (0.9%) during fiscal year 2015 with the largest revenue increase consisting of \$1.953 billion in operating grants and contributions.

The State's governmental activities expenses increased \$3.404 billion (5.1%) during fiscal year 2015, due mostly to an increase in health and social service program expenses of \$2.403 billion.

### **Business-type Activities:**

Net position of business-type activities increased \$740 million during the fiscal year 2015. This increase was attributed mainly to a \$563 million increase in net position of the Unemployment Compensation Trust Fund, which had a decrease in unemployment benefit expenses of \$898 million, partially offset by a decrease in employer contributions of \$246 million, related to the decrease in the average state unemployment rates during the fiscal year.

## **FINANCIAL ANALYSIS OF THE STATE'S MAJOR GOVERNMENTAL FUNDS**

### **General Fund**

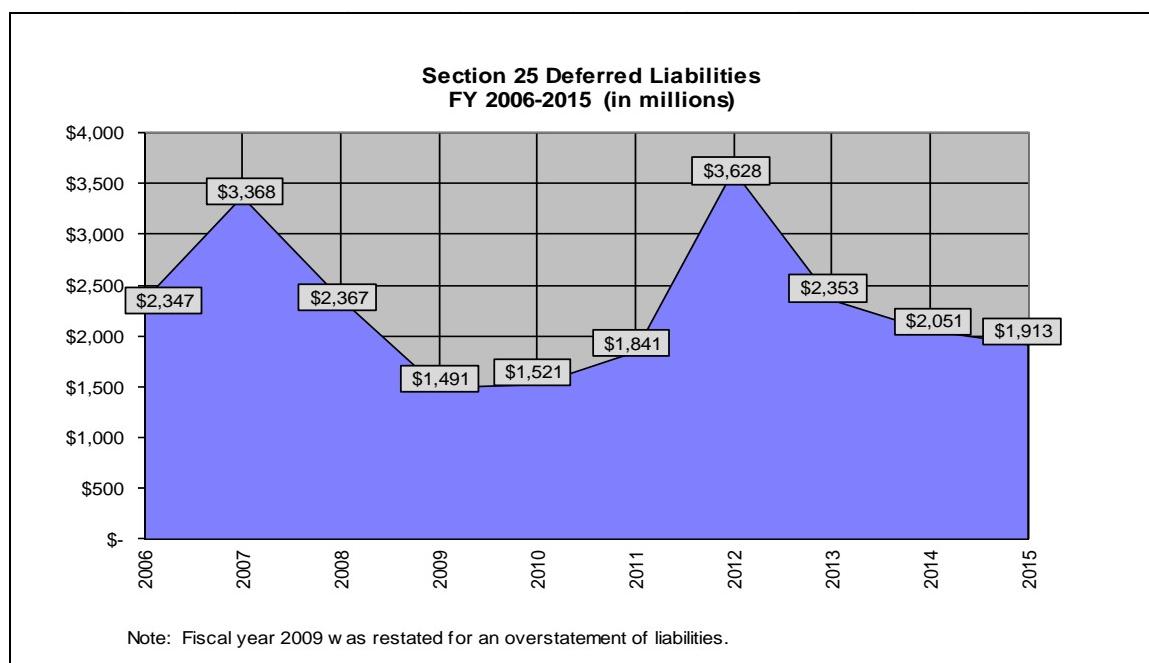
The General Fund accounts for resources obtained and used for those services traditionally provided by the State which are not accounted for in another fund. Accordingly, the majority of the State's tax revenues and program support expenses are accounted for in the General Fund. For financial reporting purposes, the General Fund consists of several accounts of the State which are described on page 175. For budgetary purposes the General Funds consist of the General Revenue, Common School-Special, Education Assistance, and Common School Accounts.

The State's General Funds' budgetary fund balance ended fiscal year 2015 with a deficit for the fourteenth consecutive year. At June 30, 2015, the General Funds' budgetary fund balance was a deficit of \$2.900 billion compared to a \$3.931 billion deficit recorded at June 30, 2014. The original budget projected a \$544 million deficit at the end of the fiscal year. The final budget projected an \$852 million deficit.

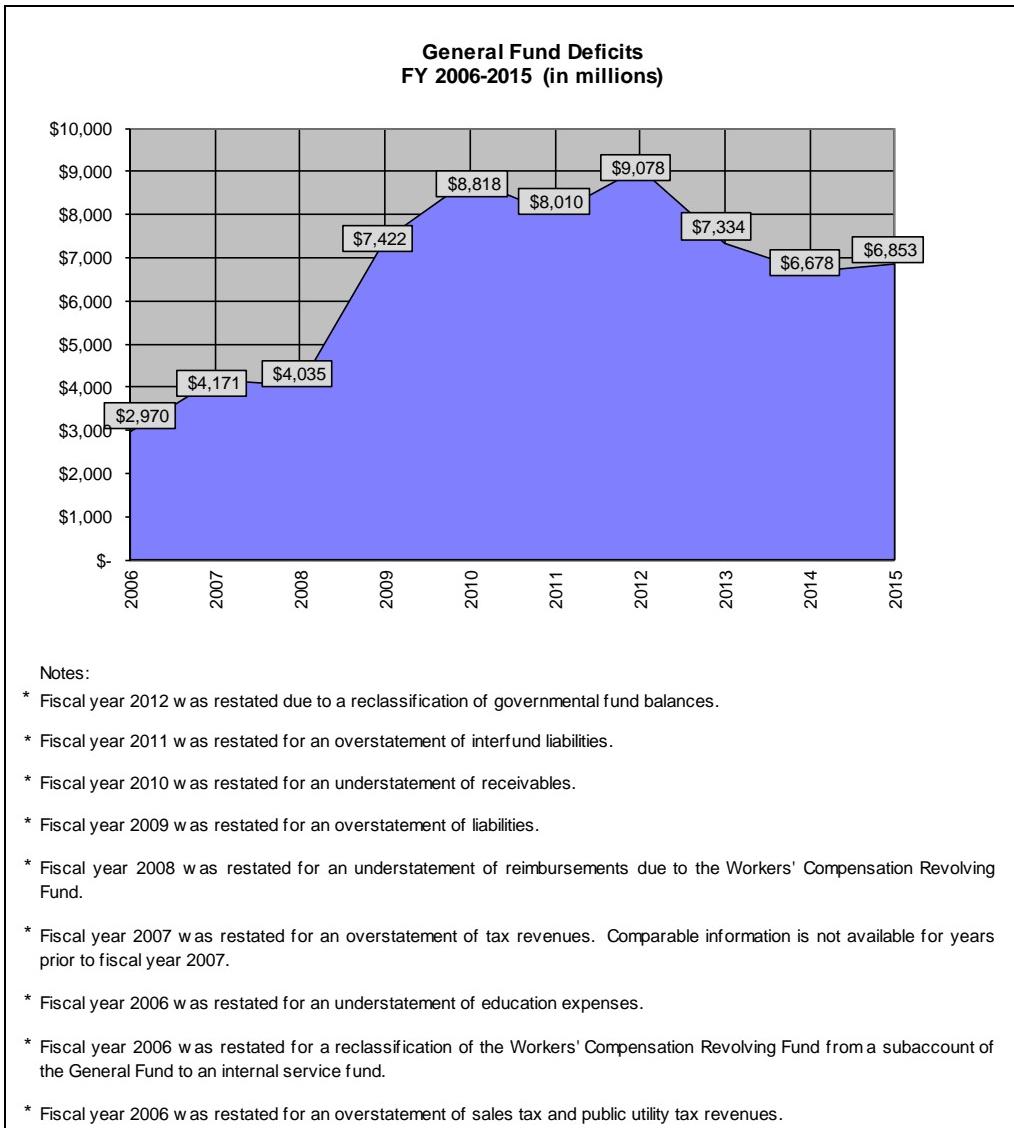
The majority of the \$2.048 billion decrease in the General Funds' budgetary balance between the final budget and the actual results was due to \$3.082 billion less in actual revenues than budgeted revenues, offset by \$1.034 billion less in actual expenditures than budgeted expenditures. Actual income tax revenues were \$2.508 billion less than budgeted. Health and social services expenditures were \$814 million less than budgeted.

The General Fund's assets at June 30, 2015, were \$8.443 billion, which is a decrease of \$761 million from the June 30, 2014, balance of \$9.204 billion. Securities lending collateral balances decreased \$1.321 billion, offset by an increase in cash equity with the State Treasurer of \$358 million and an increase in intergovernmental receivables of \$391 million.

The General Fund's liabilities and deferred inflows of resources at June 30, 2015, were \$15.296 billion, which is a decrease of \$587 million from the June 30, 2014, balance of \$15.883 billion. A factor that determines a significant portion of the General Fund liabilities is the accrued liabilities payable from future year's appropriations. One of the largest components of those liabilities is Section 25 of the State Finance Act (Section 25) deferrals which consist mostly of Medicaid program liabilities. These statutory deferrals allow expenses incurred during one fiscal year to be paid for from the subsequent fiscal year's budget in limited situations. Section 25 deferrals decreased \$138 million from \$2.051 billion at June 30, 2014, to \$1.913 billion at June 30, 2015.



During fiscal year 2015, the General Fund's fund deficit increased from \$6.678 billion to \$6.853 billion, a \$175 million increase.



During fiscal year 2015, General Fund revenues decreased \$306 million to \$42.175 billion. A decrease in income tax revenues of \$1.805 billion was the largest decrease in revenues, due to lower income tax rates effective midway through the year. In January 2015, individual income tax rates dropped from 5% to 3.75%, while corporate income tax rates dropped from 7% to 5.25%. This decrease in revenue was offset by an increase in federal government revenues of \$1.556 billion.

General Fund expenditures increased \$1.773 billion to \$42.169 billion in fiscal year 2015 due mainly to increased spending on health and social services programs of \$1.809 billion. Cash flow problems caused the State to hold over \$4.251 billion in payments and interfund transfers from the General Fund at June 30, 2015.

Transfers in to the General Fund increased \$1.188 billion to \$2.856 billion in fiscal year 2015, mainly due to Public Act 92-0002, which allowed for the transfer of approximately \$1.284 billion to the General Fund from various other state funds, to help defray operating costs.

## Road Fund

The Road Fund incurred a \$270 million decrease in fund balance in the current year and has a \$537 million fund balance. Revenues decreased \$106 million to \$2.887 billion in fiscal year 2015, due mostly to a decrease in federal government revenue of \$148 million, and expenditures increased \$124 million to \$2.575 billion. Transfers out increased \$238 million due mostly to transfers made to the General Fund in fiscal year 2015 of \$250 million, as a result of Public Act 92-0002.

## State Construction Account

The State Construction Account's fund balance increased \$119 million in the current year, with a fund balance of \$435 million. Transportation and capital outlay expenditures decreased by \$56 million and \$20 million, respectively, in fiscal year 2015 compared to fiscal year 2014. Revenues from licenses and fees increased from \$494 million in fiscal year 2014 to \$514 in fiscal year 2015. A one-time transfer in the amount of \$50 million was made to the General Fund in fiscal year 2015 as a result of Public Act 92-0002.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets:

At June 30, 2015, the State had \$21.982 billion in capital assets, net of accumulated depreciation, in the following categories:

Capital Assets as of June 30 (net of depreciation, in millions of dollars)						
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land and land improvements	\$ 3,410	\$ 3,304	\$ -	\$ -	\$ 3,410	\$ 3,304
Site improvements	276	285	-	-	276	285
Buildings and building improvements	1,918	1,951	2	2	1,920	1,953
Equipment	265	267	1	2	266	269
Intangible assets	354	307	3	3	357	310
Infrastructure	15,568	15,295	-	-	15,568	15,295
Other	39	39	-	-	39	39
Subtotal	21,830	21,448	6	7	21,836	21,455
Construction in progress	146	147	-	-	146	147
<b>Total</b>	<b>\$ 21,976</b>	<b>\$ 21,595</b>	<b>\$ 6</b>	<b>\$ 7</b>	<b>\$ 21,982</b>	<b>\$ 21,602</b>

Infrastructure assets consist of 71% of the State's net capital assets and comprise \$1.449 billion of the \$1.857 billion (78%) of the current year additions to capital assets of governmental activities. The State capitalizes and depreciates its roads and road improvements over a twenty year period and its bridges over a forty year period. More detailed information regarding the State's capital assets is presented in Note 7 of the financial statements on page 91.

## **Debt Administration:**

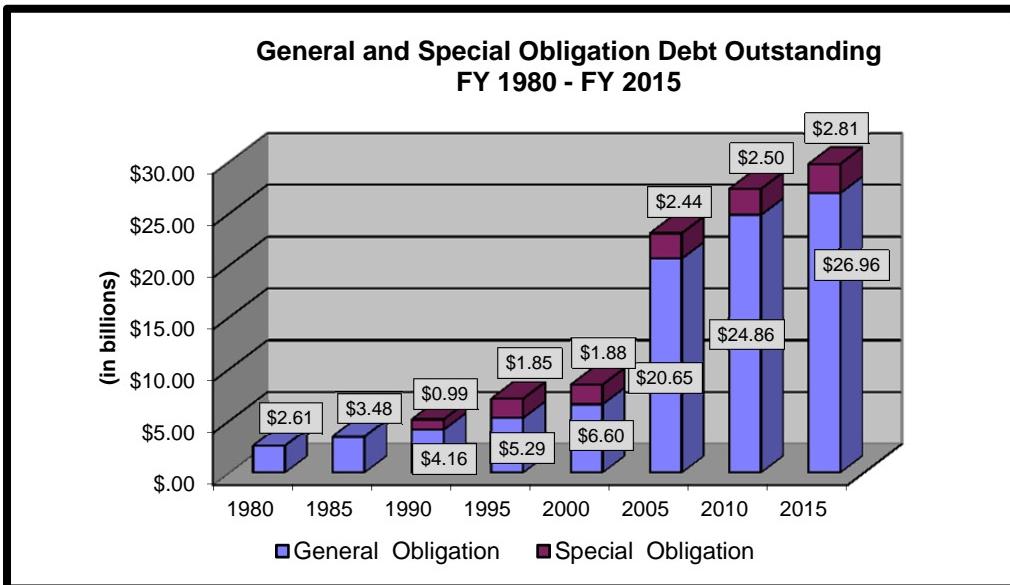
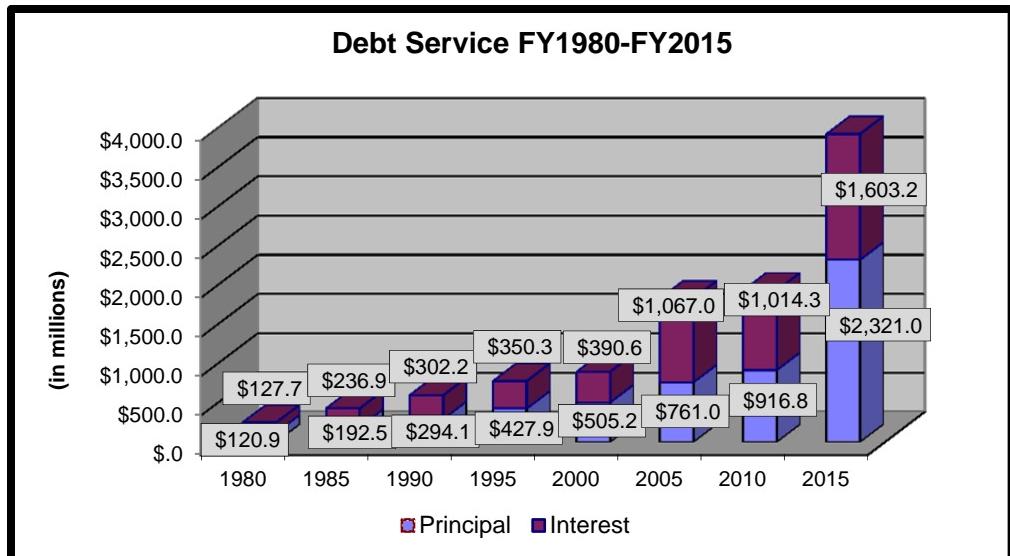
### **Bonded Indebtedness**

The State, certain State agencies and component units of the State are empowered by law to authorize, issue, and sell debt obligations. General obligation bonds, issued by the State, are backed by the full faith and credit of the State and are considered a direct debt of the State. Special obligation bonds are also considered direct debt of the State but are not backed by the full faith and credit of the State. Rather, special obligation bonds are supported and repaid only by a dedicated State revenue source. Revenue bonds are not backed by the full faith and credit of the State but are backed by a specific revenue stream. Some revenue bonds can be considered moral obligation debt which means that if resources from the specified revenue stream are insufficient to support the debt service, any amount necessary to make up the deficiency will be included in the budget recommendation made to the State legislature, which may appropriate moneys to make up the shortfall. The legislature, however, is not legally obligated to make such an appropriation. Also, some revenue bonds are classified as indirect debt which means that the asset is the property of a local government but part of the payment of the debt service comes from State resources. Lastly, some revenue bonds can be considered conduit debt which implies no obligation for the State. More detailed information regarding the State's long-term debt obligations is presented in Notes 9, 10 and 11 to the financial statements beginning on page 100.

Primary Government	Outstanding Bonded Debt as of June 30 (in millions of dollars)					
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
General obligation bonds (backed by the State)	\$ 26,960	\$ 29,019	\$ -	\$ -	\$ 26,960	\$ 29,019
Special obligation bonds (backed by specific fee revenue)	2,814	3,064	-	-	2,814	3,064
Revenue bonds (backed by specific tax and fee revenue)	1,233	1,310	895	1,382	2,128	2,692
	<u>\$ 31,007</u>	<u>\$ 33,393</u>	<u>\$ 895</u>	<u>\$ 1,382</u>	<u>\$ 31,902</u>	<u>\$ 34,775</u>

As shown above, Illinois had outstanding general and special obligation bonds at June 30, 2015 totaling \$29.774 billion. Bonds have been issued primarily to provide funds for acquisition and construction of capital facilities for higher education, public and mental health, correction and conservation purposes, and for maintenance and construction of highway and waterway facilities. Bonds also have been issued to provide assistance to municipalities for construction of sewage treatment facilities, port districts, aquarium facilities, local schools, mass transportation and aviation purposes, and to fund research and development of coal and alternative energy sources. In addition, bonds have been issued to make pension contributions to the State's retirement systems and to fund a portion of the State's unfunded portion of prior year's retirement liabilities. The outstanding amounts of \$9.400 billion and \$3.300 billion for pension purposes, issued in 2003 and 2011 respectively, are included in the outstanding general obligation bonds as of June 30, 2015.

There were no bonds issued by the State during fiscal year 2015. Debt service principal of \$2.321 billion and interest costs of \$1.603 billion were paid and charged, respectively, in fiscal year 2015. The dramatic increase in debt service payments and outstanding debt since fiscal year 1980 is displayed in the following charts:



In addition to general and special obligation bonds, the primary government had \$2.128 billion of revenue bonds and \$15.295 billion of non-pension long-term obligations outstanding as of June 30, 2015.

The State's general obligation bond ratings were A3 with a Negative Outlook by Moody's Investor Services, A- with a Negative Outlook by Standard and Poor's, and A- with a Negative Outlook by Fitch Ratings as of June 30, 2015. Since June 30, 2015, the Moody's rating was downgraded to Baa1 with a Negative Outlook, and the Fitch rating was downgraded to BBB+ with a Stable Outlook.

The State's special obligation—Build Illinois Bonds – ratings were A3 with a Negative Outlook by Moody's Investor Services, AAA with a Stable Outlook by Standard and Poor's, and AA+ with a Stable Outlook by Fitch Ratings as of June 30, 2015. Since June 30, 2015, the Moody's rating was downgraded to Baa1 with a Negative Outlook.

## **Retirement Systems**

The State's largest liability is its net pension liability. The State sponsors five public employee retirement systems that are included in the State's financial statements as pension trust funds. As the State is statutorily required to make contributions to these retirement systems, GASB No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, requires the State to recognize a proportionate share of the collective net pension liability for each of these plans. During fiscal year 2015, the net pension liability as reported in the financial statements totaled \$108.665 billion, an increase of \$302 million from the fiscal year 2014 balance of \$108.363 billion, as restated.

During fiscal year 2015, all of the State systems were substantially funded in accordance with the *statutory funding* requirement. The law enacted in fiscal year 1996 provides for a 50-year funding plan with a 15 year phase-in and a “continuing appropriation.” For fiscal years 2006 and 2007, however, the law was amended allowing for decreased contributions to the systems of only \$938.4 million and \$1,374.7 million, respectively, and requiring equal annual increments from fiscal year 2008 to 2010 (the end of the 15 year phase-in) so that by fiscal year 2011, the State would be contributing at the rate otherwise required by State law. The continuing appropriation provides the Comptroller’s Office with the authority to automatically provide funding to the pension systems based on actuarial cost requirements and amortization of the unfunded liability without being subject to the General Assembly’s appropriation process. However, the State’s 50-year funding plan does *not* conform to the Actuarial Standards of Practice, and although the statutory contribution requirements were met, the statutory funding method generates a contribution requirement that is less than a reasonable actuarial determined contribution.

On December 5<sup>th</sup>, 2013, the Governor signed into law Public Act 98-0599, which provided for significant pension reform to the General Assembly Retirement System, State Employees’ Retirement System, Teachers’ Retirement System and State Universities Retirement System. The most significant changes included a reduction of the automatic annual increase, capping of pensionable earnings of Tier I employees and delaying the retirement age for members under age 46. The State would have also been required to make additional contributions with the intent to eliminate the unfunded actuarial accrued liability by 2045 and facilitate the long-term stabilization of the systems’ finances.

The Act was scheduled to become effective on June 1, 2014; however, several lawsuits were subsequently filed to challenge the constitutionality of Public Act 98-0599. In May 2014, the circuit court issued a temporary injunction delaying the implementation of the new law until the court ruled on the consolidated lawsuit. In November 2014, the circuit court ruled the act unconstitutional under the Pension Protection Clause stating the pension benefits cannot be diminished or impaired. In May 2015, the Illinois Supreme Court upheld the circuit court ruling.

## **ECONOMIC CONDITION AND OUTLOOK**

### **Fiscal Year 2015**

Economic growth continued at a steady pace in Illinois during fiscal year 2015. Each of the measures of Illinois economic activity has shown gradual improvement since the sharp decline recognized in 2009 and 2010. Illinois' non-agricultural employment (derived from survey data from Illinois companies) averaged 5.903 million workers in fiscal year 2015, an increase of 66,000 jobs or 1.12% above 2014 employment and 142,000 jobs or 2.3% below peak employment of 6.045 million jobs in fiscal year 2001. A second Illinois employment estimate, obtained through household surveys, also showed an increase in Illinois employment. According to these surveys, an average of 6.096 million Illinoisans was employed in fiscal year 2015, up 100,000 or 1.6% from the prior year employment level.

The average Illinois unemployment rate decreased from 9.1% and 8.2% in fiscal years 2013 and 2014, respectively, to 6.2% in fiscal year 2015. At June 30, 2015, the rate was 5.9%. The decreased average unemployment rate was caused by the increase in employment levels and the drop in the average number of unemployed which decreased from 539,000 during fiscal year 2014 to 405,000 for fiscal year 2015.

A more comprehensive measure of Illinois' economic performance is the change in state personal income adjusted for inflation. This value increased 2.0% in fiscal year 2015 as nominal personal income rose 2.7% and the consumer price index was up 0.7%. State personal income adjusted for inflation had shown an increase in 2013 of 1.4% and a decrease of 0.2% in 2014.

### **Outlook**

The State continues to show an inability to generate sufficient cash from its current revenue structure to pay operating expenditures on a timely basis. The State's two largest revenue sources, income tax and sales tax, are especially susceptible to changes in the economy.

These budgetary challenges along with the accumulated deficit in the General Fund, continued growth in the net pension liability and postemployment benefit costs, and rating downgrades on debt issuances of the State may impact the State's ability to access credit markets to pay operational expenditures more timely and may increase interest costs of those borrowings.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors a general overview of the State's financial position and changes in the State's net position for the year ended June 30, 2015. If you have any questions about this report or need additional financial information, contact the Office of the Comptroller at (217) 782-6000.

The State's component units issue separate audited financial statements and reports. These statements and reports may be obtained by directly contacting the component unit. Contact information can be obtained from the Office of the Comptroller at (217) 782-6000.

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**State of Illinois**

**Statement of Net Position**

June 30, 2015 (Expressed in Thousands)

	Primary Government				
	Governmental Activities		Business-type Activities		Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>					
Cash equity with State Treasurer	\$ 7,536,500	\$ 643,931	\$ 8,180,431	\$ 864,189	
Cash and cash equivalents	276,921	91,894	368,815	1,731,744	
Deposits held by federal government			1,634,610	1,634,610	
Securities lending collateral of State Treasurer	3,545,823	181,850	3,727,673	8,737	
Investments	42,936	1,367,545	1,410,481	2,600,786	
Receivables, net:					
Taxes	1,998,453	581,791	2,580,244		
Intergovernmental	3,353,843	97,188	3,451,031	159,279	
Other	840,786	308,041	1,148,827	625,243	
Internal balances	56,907	(56,907)	-		
Due from fiduciary funds	3,903	222	4,125		
Due from component units	459,818	6,612	466,430	60,476	
Due from primary government				540,432	
Inventories	109,285		109,285	49,456	
Prepaid expenses	7,501	20,081	27,582	36,154	
Unamortized bond insurance costs	5,082		5,082	9,044	
Loans and notes receivable, net	70,705	1,121,255	1,191,960	1,584,535	
Restricted assets:					
Cash equity with State Treasurer	337,661		337,661	185,096	
Cash and cash equivalents	205,494	19,492	224,986	1,060,061	
Investments	13,098		13,098	3,364,110	
Intergovernmental receivables	3,389		3,389		
Other receivables	163,713	16,882	180,595	102,117	
Loans and notes receivable, net		2,070,676	2,070,676	17,367	
Other assets	41,913		41,913	4,896	
Derivative instrument				9	
Other assets	15,184		15,184	44,293	
Capital assets not being depreciated	3,781,842	250	3,782,092	2,099,162	
Capital assets being depreciated, net	18,193,797	5,524	18,199,321	10,711,176	
<b>Total assets</b>	<b>41,064,554</b>	<b>8,110,937</b>	<b>49,175,491</b>	<b>25,858,362</b>	
Deferred outflows of resources - accumulated decrease in fair value of derivatives		130,459		130,459	276,494
Deferred outflows of resources - unamortized deferred amounts on bond refundings		72,322	1,145	73,467	122,287
Deferred outflows of resources - unamortized deferred amounts on certificates of participation refundings					12,551
Deferred outflows of resources - pensions	10,360,882	49,020	10,409,902	41,157	
<b>Total assets and deferred outflows of resources</b>	<b>\$ 51,628,217</b>	<b>\$ 8,161,102</b>	<b>\$ 59,789,319</b>	<b>\$ 26,310,851</b>	

**State of Illinois**

**Statement of Net Position**

June 30, 2015 (Expressed in Thousands)

	Primary Government				Component Units	
	Governmental Activities		Business-type Activities			
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>						
Accounts payable and accrued liabilities	\$ 6,984,113	\$ 492,695	\$ 7,476,808	\$ 1,135,633		
Intergovernmental payables	5,169,071	23,703	5,192,774	21,841		
Due to fiduciary funds	721,231		721,231			
Due to component units	486,523	54,007	540,530	60,476		
Due to primary government				465,204		
Unearned revenue	1,009,437	20,925	1,030,362	464,592		
Obligations under security lending of State Treasurer	3,545,823	181,850	3,727,673	8,737		
Assets held for others				215,297		
Short-term notes payable		183,557	183,557	3,257		
Derivative instrument	130,459		130,459	279,449		
Other liabilities				10,139		
Long-term obligations:						
Due within one year	2,251,611	395,068	2,646,679	461,633		
Due subsequent to one year	150,789,410	2,424,845	153,214,255	9,799,691		
<b>Total liabilities</b>	<b>171,087,678</b>	<b>3,776,650</b>	<b>174,864,328</b>	<b>12,925,949</b>		
Deferred inflows of resources - loan origination points				14,861		
Deferred inflows of resources - accumulated increase in fair value of derivatives				9		
Deferred inflows of resources - unamortized deferred amounts on bond refundings	88	45,519	45,607	267		
Deferred inflows of resources - unearned revenue				5,200		
Deferred inflows of resources - pensions	5,847,628	14,578	5,862,206	329		
<b>Total liabilities and deferred inflows of resources</b>	<b>176,935,394</b>	<b>3,836,747</b>	<b>180,772,141</b>	<b>12,946,615</b>		
<b>NET POSITION</b>						
Net investment in capital assets	15,180,555	5,748	15,186,303	5,194,768		
Restricted for:						
Debt service	2,485,059	6,630	2,491,689	473,709		
Capital projects	372		372	60,086		
Repayment of loan from component unit		1,595,711	1,595,711			
Unemployment compensation benefits		2,225,097	2,225,097			
Municipal lending		1,374,700	1,374,700			
Education	4,262	38,369	42,631			
Employment and economic development	122,339		122,339			
Health and social services	339,237		339,237			
Public protection and justice	67,827		67,827			
Environment and business regulation	134,177		134,177			
Transportation	2,553		2,553			
Other purposes	236,570		236,570			
Funds held as permanent investments:						
Nonexpendable purposes	45,070		45,070	1,409,237		
Expendable purposes	3,403		3,403	2,711,877		
Unrestricted	(143,928,601)	(921,900)	(144,850,501)	3,514,559		
<b>Total net position</b>	<b>\$ (125,307,177)</b>	<b>\$ 4,324,355</b>	<b>\$ (120,982,822)</b>	<b>\$ 13,364,236</b>		

The accompanying notes to the financial statements are an integral part of this statement.

## **State of Illinois**

### **Statement of Activities**

For the Year Ended June 30, 2015 (Expressed in Thousands)

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Primary government</b>				
Governmental activities				
Health and social services	\$ 29,744,877	\$ 236,140	\$ 18,096,572	
Education	19,302,465	9,446	2,223,535	
General government	2,717,269	2,170,928	80,089	\$ 20,441
Employment and economic development	1,251,097	27,622	643,840	
Transportation	5,132,636	16,082	466,241	1,501,303
Public protection and justice	3,600,577	145,548	185,273	
Environment and business regulation	1,104,370	416,124	186,836	2,363
Intergovernmental-revenue sharing	5,956,535			
Interest	1,709,219			
Total governmental activities	<u>70,519,045</u>	<u>3,021,890</u>	<u>21,882,386</u>	<u>1,524,107</u>
Business-type activities				
Unemployment compensation trust	1,842,424	2,397,199	51	
Water revolving	43,880	46,568	140,593	
Prepaid tuition program	27,931	67,762		
Lottery	2,138,677	2,850,711		
Designated account purchase program	14,821	22,253		
Federal student loans	133,205	27,456	129,564	
Student loan operation fund	26,772	11,134		
Other	83,895	87,167		
Total business-type activities	<u>4,311,605</u>	<u>5,510,250</u>	<u>270,208</u>	<u></u>
<b>Total primary government</b>	<u><u>\$ 74,830,650</u></u>	<u><u>\$ 8,532,140</u></u>	<u><u>\$ 22,152,594</u></u>	<u><u>\$ 1,524,107</u></u>
<b>Component units</b>				
Authorities				
Illinois Housing Development Authority	\$ 395,185	\$ 87,389	\$ 258,199	
Toll Highway Authority	867,663	1,042,821		
Other Authorities	41,364	20,443	1,347	10,192
Universities				
Illinois State University	565,673	279,158	54,805	315
Northern Illinois University	606,135	263,779	93,215	
Southern Illinois University	1,216,950	533,481	150,063	766
University of Illinois	5,683,617	2,717,906	977,697	2,782
Other Universities	1,033,685	371,055	167,915	6,424
<b>Total component units</b>	<u><u>\$ 10,410,272</u></u>	<u><u>\$ 5,316,032</u></u>	<u><u>\$ 1,703,241</u></u>	<u><u>\$ 20,479</u></u>
<b>General revenues</b>				
Taxes:				
Income taxes				
Sales taxes				
Motor fuel taxes				
Public utility taxes				
Riverboat taxes				
Medical providers assessment taxes				
Other taxes				
Interest and investment income				
Other revenues				
Pension revenue recognized				
Payments from the State of Illinois				
Additions to permanent endowments				
Transfers				
Total general revenues, payments from the State of Illinois, additions to permanent funds and transfers				
Change in net position				
Net position, July 1, 2014, as restated				
Net position, June 30, 2015				

The accompanying notes to the financial statements are an integral part of this statement.

Net (Expense) Revenues and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (11,412,165)		\$ (11,412,165)	
(17,069,484)		(17,069,484)	
(445,811)		(445,811)	
(579,635)		(579,635)	
(3,149,010)		(3,149,010)	
(3,269,756)		(3,269,756)	
(499,047)		(499,047)	
(5,956,535)		(5,956,535)	
(1,709,219)		(1,709,219)	
<u>(44,090,662)</u>			
\$ 554,826		554,826	
143,281		143,281	
39,831		39,831	
712,034		712,034	
7,432		7,432	
23,815		23,815	
(15,638)		(15,638)	
<u>3,272</u>		<u>3,272</u>	
<u>1,468,853</u>			
		(42,621,809)	
\$ (49,597)			
175,158			
(9,382)			
(231,395)			
(249,141)			
(532,640)			
(1,985,232)			
(488,291)			
		(3,370,520)	
19,881,531		19,881,531	
10,997,205		10,997,205	
1,292,178		1,292,178	
1,460,558		1,460,558	
498,309		498,309	
1,400,813		1,400,813	
2,843,428		2,843,428	
64,104	50,713	114,817	125,839
777,298		777,298	333,920
			1,139,405
			2,173,854
			59,458
<u>779,330</u>	<u>(779,330)</u>	<u>-</u>	
39,994,754	(728,617)	39,266,137	3,832,476
(4,095,908)	740,236	(3,355,672)	461,956
(121,211,269)	3,584,119	(117,627,150)	12,902,280
<u>\$ (125,307,177)</u>	<u>\$ 4,324,355</u>	<u>\$ (120,982,822)</u>	<u>\$ 13,364,236</u>

**State of Illinois**

**Balance Sheet -**

**Governmental Funds**

June 30, 2015 (Expressed in Thousands)

	General Fund	Road Fund	State Construction Account	Other Nonmajor Funds	Total Governmental Funds
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>					
Cash equity with State Treasurer	\$ 1,974,385	\$ 981,255	\$ 465,798	\$ 4,164,418	\$ 7,585,856
Cash and cash equivalents	13,618	70		392,322	406,010
Securities lending collateral of State Treasurer	2,207,705	416,903	176,239	667,015	3,467,862
Investments				56,034	56,034
Receivables, net:					
Taxes	1,473,890			524,563	1,998,453
Intergovernmental	2,181,480	191,080		982,529	3,355,089
Other	371,300	16,922	1,870	567,565	957,657
Due from other funds	164,442	57,400	40,606	1,190,759	1,453,207
Due from component units	13,176	81,374		348,900	443,450
Inventories	22,921	57,635		17,320	97,876
Loans and notes receivable, net	5,380	144		65,181	70,705
Other assets	15,000			42,097	57,097
<b>Total assets</b>	<b>8,443,297</b>	<b>1,802,783</b>	<b>684,513</b>	<b>9,018,703</b>	<b>19,949,296</b>
Deferred outflows of resources - intra-entity transfers of future revenues				809,538	809,538
<b>Total assets and deferred outflows of resources</b>	<b>\$ 8,443,297</b>	<b>\$ 1,802,783</b>	<b>\$ 684,513</b>	<b>\$ 9,828,241</b>	<b>\$ 20,758,834</b>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>					
Accounts payable and accrued liabilities	\$ 3,720,254	\$ 299,288	\$ 62,923	\$ 760,742	\$ 4,843,207
Intergovernmental payables	2,949,740	121,496	2,184	2,081,999	5,155,419
Due to other funds	3,701,575	222,807		477,200	4,401,582
Due to component units	286,697	159,032	1,208	39,310	486,247
Unearned revenue	686,367	13,210	6,971	295,476	1,002,024
Obligations under security lending of State Treasurer	2,207,705	416,903	176,239	667,015	3,467,862
Matured portion of long-term liabilities	284	177			461
<b>Total liabilities</b>	<b>13,552,622</b>	<b>1,232,913</b>	<b>249,525</b>	<b>4,321,742</b>	<b>19,356,802</b>
Deferred inflows of resources - unavailable revenue	1,743,605	33,139		824,239	2,600,983
Deferred inflows of resources - intra-entity transfers of future revenues				809,538	809,538
<b>Total liabilities and deferred inflows of resources</b>	<b>15,296,227</b>	<b>1,266,052</b>	<b>249,525</b>	<b>5,955,519</b>	<b>22,767,323</b>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable - long-term portion of loans and notes receivable	5,380				5,380
Nonspendable - inventories	22,921	57,635		17,320	97,876
Nonspendable - endowments and similar funds				45,070	45,070
Restricted	45,569			2,987,518	3,033,087
Committed	1,311,460	479,096	434,988	2,196,216	4,421,760
Assigned				1,227	1,227
Unassigned	(8,238,260)			(1,374,629)	(9,612,889)
<b>Total fund balances (deficits)</b>	<b>(6,852,930)</b>	<b>536,731</b>	<b>434,988</b>	<b>3,872,722</b>	<b>(2,008,489)</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 8,443,297</b>	<b>\$ 1,802,783</b>	<b>\$ 684,513</b>	<b>\$ 9,828,241</b>	<b>\$ 20,758,834</b>

The accompanying notes to the financial statements are an integral part of this statement.

**State of Illinois**  
**Reconciliation of Governmental Funds Balance Sheet**  
**to Statement of Net Position**  
**June 30, 2015**  
**(Expressed in Thousands)**

<b>Total fund balances-governmental funds</b>	\$ (2,008,489)
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities, not including amounts included as assets in internal service funds of \$303,900, are not financial resources and therefore are not reported in the funds.	21,671,739
Prepaid expenses for governmental activities are current uses of financial resources for funds.	7,496
Bond insurance costs are reported as current expenditures in governmental funds. However, bond insurance costs are deferred and amortized over the life of the bonds and are included as governmental activities in the Statement of Net Position.	5,082
Bond refunding costs are reported as current expenditures in governmental funds. However, bond refunding costs are deferred and amortized over the life of the defeased bonds and are included in governmental activities in the Statement of Net Position.	72,234
Internal service funds are used to charge costs of certain activities to individual funds. The assets and liabilities of the internal service funds are reported as governmental activities in the Statement of Net Position.	544,915
Some revenues will be collected after year-end but are "unavailable" to pay for the current period's expenditures due to not being collectible for several months and therefore are deferred in governmental funds.	2,600,983
Some liabilities, deferred outflows of resources and deferred inflows of resources reported in the Statement of Net Position do not require the use of current financial resources and therefore are not reported in governmental funds. These liabilities, deferred outflows of resources and deferred inflows of resources not including amounts included as liabilities in internal service funds of \$647,759, consist of:	
Net pension liability	\$ (108,376,677)
Deferred outflows of resources - pensions	10,360,882
Deferred inflows of resources - pensions	(5,847,628)
Net other postemployment benefit obligation	(11,974,652)
General obligation bonds	(26,960,417)
Special obligation bonds	(2,813,563)
Revenue bonds	(1,232,855)
Unamortized premiums	(565,660)
Unamortized discounts	1,443
Compensated absences	(397,553)
Certificates of participation	(21,090)
Pollution remediation obligation	(29,550)
Auto liability	(14,561)
Capital leases	(7,224)
Installment purchases	(442)
Accrued interest	(321,590)
	(148,201,137)
<b>Net position of governmental activities</b>	<b>\$ (125,307,177)</b>

The accompanying notes to the financial statements are an integral part of this statement.

**State of Illinois**

**Statement of Revenues, Expenditures  
and Changes in Fund Balances - Governmental Funds**

For the Year Ended June 30, 2015 (Expressed in Thousands)

	General Fund	Road Fund	State Construction Account	Other Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>					
Income taxes	\$ 16,652,911			\$ 3,256,348	\$ 19,909,259
Sales taxes	7,826,959			3,179,446	11,006,405
Motor fuel taxes		\$ 282,212	\$ 200,653	808,274	1,291,139
Public utility taxes	1,047,513			414,294	1,461,807
Riverboat taxes				498,309	498,309
Medical providers assessment taxes	1,412,493				1,412,493
Other taxes	2,353,680			402,513	2,756,193
Federal government	11,097,444	1,519,735		9,364,272	21,981,451
Licenses and fees	619,330	892,286	513,988	681,358	2,706,962
Interest and other investment income	31,564	4,893	1,535	24,306	62,298
Other	1,132,799	188,124		963,374	2,284,297
<b>Total revenues</b>	<b>42,174,693</b>	<b>2,887,250</b>	<b>716,176</b>	<b>19,592,494</b>	<b>65,370,613</b>
<b>EXPENDITURES</b>					
Current:					
Health and social services	22,613,990			6,415,984	29,029,974
Education	13,987,045			3,171,969	17,159,014
General government	1,983,358	334		391,956	2,375,648
Employment and economic development	145,465			1,078,308	1,223,773
Transportation	568,633	2,193,090	62,210	984,046	3,807,979
Public protection and justice	2,604,374			458,161	3,062,535
Environment and business regulation	197,244			759,577	956,821
Debt service:					
Principal	1,687	409		2,403,042	2,405,138
Interest	516	100		1,676,601	1,677,217
Capital outlays	66,640	381,147	487,312	894,894	1,829,993
Intergovernmental				5,956,535	5,956,535
<b>Total expenditures</b>	<b>42,168,952</b>	<b>2,575,080</b>	<b>549,522</b>	<b>24,191,073</b>	<b>69,484,627</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>5,741</b>	<b>312,170</b>	<b>166,654</b>	<b>(4,598,579)</b>	<b>(4,114,014)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>					
Transfers-in	2,856,301	3,673	2,157	4,320,609	7,182,740
Transfers-out	(3,035,208)	(603,718)	(50,000)	(2,714,492)	(6,403,418)
Capital lease financing	737	169		2,545	3,451
<b>Net other sources (uses) of financial resources</b>	<b>(178,170)</b>	<b>(599,876)</b>	<b>(47,843)</b>	<b>1,608,662</b>	<b>782,773</b>
<b>Net change in fund balances</b>	<b>(172,429)</b>	<b>(287,706)</b>	<b>118,811</b>	<b>(2,989,917)</b>	<b>(3,331,241)</b>
Fund balances (deficits), July 1, 2014	(6,678,339)	807,094	316,177	6,861,931	1,306,863
Increase (decrease) for changes in inventories	(2,162)	17,343		708	15,889
<b>FUND BALANCES (DEFICITS), JUNE 30, 2015</b>	<b>\$ (6,852,930)</b>	<b>\$ 536,731</b>	<b>\$ 434,988</b>	<b>\$ 3,872,722</b>	<b>\$ (2,008,489)</b>

The accompanying notes to the financial statements are an integral part of this statement.

**State of Illinois**  
**Reconciliation of Statement of Revenues, Expenditures and Changes in**  
**Fund Balances of Governmental Funds to Statement of Activities**  
**For the Year Ended June 30, 2015**  
**(Expressed in Thousands)**

<b>Net change in fund balances</b>	\$ (3,331,241)
Change in inventories	15,889
	<u>(3,315,352)</u>

Amounts reported for governmental activities in the Statement of Activities are different because:

Prepaid expenses are recorded as uses of current financial resources in governmental funds but do not affect the expenses reported on the Statement of Activities. Prepaid expenses decreased by this amount during the year. (87)

Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current year, these amounts are:

Capital outlays	\$ 1,829,993
Depreciation expense	<u>(1,385,847)</u>
Excess of capital outlays over depreciation expense	444,146

Revenues for capital assets acquired through noncash transactions are not recorded in governmental funds. However, in the Statement of Activities, program revenues are recorded for donated capital assets in this amount. 8,961

Gains and losses from capital assets no longer in use are not recorded in governmental funds but are reported as other revenues and expenses in the Statement of Activities. In the current year, these transactions include losses on capital assets scrapped, damaged or stolen. (59,656)

Transfers of capital assets to and from proprietary funds are not recorded in governmental funds. This amount represents the net transfers of capital assets between governmental funds and proprietary funds in the Statement of Activities. (6,542)

Internal service funds are used to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is reported as governmental activities in the Statement of Activities. 28,609

Because some revenues will not be collected for several months, they are considered "unavailable" revenues and revenue recognition is deferred in the governmental funds. Unavailable revenues increased by this amount during the year. 226,838

The incurrence of long-term debt provides current financial resources to governmental funds while the repayment of the long-term debt is recorded as uses of current financial resources in governmental funds. Neither transaction has an affect on net position. Also, governmental funds report the effect of premiums, discounts, and deferred amounts on refundings of debt when the long-term debt is issued whereas these amounts are deferred and amortized in the Statement of Activities.

Bond principal retirements	2,397,854
Amortization of bond premiums	83,802
Amortization of bond discounts	(120)
Amortization of bond insurance costs	(689)
Amortization of deferred amounts on refundings of debt	(17,252)
Capital lease and installment purchase agreement proceeds	(3,451)
Capital lease and installment purchase principal retirements	2,624
Certificates of participation principal retirements	4,660
Net increase in change in fund balance of governmental funds from long-term debt transactions	<u>2,467,428</u>

Some expenses reported in the Statement of Activities do not require the use of current financial resources and are therefore not reported as expenditures in governmental funds. Also, some expenditures reported in governmental funds decrease the amount of certain long-term liabilities reported on the Statement of Net Position and are therefore not reported as expenses in the Statement of Activities.

Increase in net pension liability	(270,946)
Increase in deferred outflows of resources - pensions	3,683,888
Increase in deferred inflows of resources - pensions	(5,847,628)
Increase in net other postemployment benefits obligation	(1,482,589)
Decrease in compensated absences obligation	13,811
Interest accreted on capital appreciation debt	(12,393)
Increase in auto liability obligation	(1,530)
Decrease in accrued interest on obligations	27,134
Net increase in expenses for net increase in long-term liabilities not reported in governmental funds	<u>(3,890,253)</u>

<b>Change in net position of governmental activities</b>	<b>\$ (4,095,908)</b>
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The accompanying notes to the financial statements are an integral part of this statement.

**State of Illinois**

**Statement of Net Position -  
Proprietary Funds**

June 30, 2015 (Expressed in Thousands)

	Business-type Activities - Enterprise Funds					
	Major				Governmental Activities - Internal Service Funds	
	Unemployment Compensation Trust Fund	Water Revolving Fund	Prepaid Tuition Fund	Nonmajor Enterprise Funds		
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>						
Cash equity with State Treasurer	\$ 56,453	\$ 269,117	\$ 4,074	\$ 370,740	\$ 643,931	\$ 288,305
Cash and cash equivalents				34,717	91,894	76,405
Deposits held by federal government	1,634,610				1,634,610	
Securities lending collateral of State Treasurer		132,000		49,850	181,850	77,961
Investments			156,600	67,098	223,698	
Receivables, net:						
Taxes	581,791				581,791	
Intergovernmental	17,767	55,904		23,517	97,188	2,143
Other	159,281	10,150	18,528	78,531	266,490	46,842
Due from other funds	6,204			7,501	13,705	2,338,408
Due from component units	193	6,398		21	6,612	16,368
Loans and notes receivable, net		64,551	750		65,301	
Restricted assets:						
Cash and cash equivalents				19,492	19,492	
Other receivables, net		4,108		12,774	16,882	
Loans and notes receivable, net		110,026		67,177	177,203	
Inventories						11,409
Prepaid expenses				20,081	20,081	5
<b>Total current assets</b>	<b>2,456,299</b>	<b>652,254</b>	<b>180,676</b>	<b>751,499</b>	<b>4,040,728</b>	<b>2,857,846</b>
Investments		862,980		280,867	1,143,847	
Other receivables, net		41,551			41,551	
Loans and notes receivable, net	1,055,954				1,055,954	
Restricted loans and notes receivable, net	1,480,810			412,663	1,893,473	
Capital assets not being depreciated		250		250		39,581
Capital assets being depreciated, net	67		5,457	5,524		264,319
<b>Total noncurrent assets</b>	<b>2,536,831</b>	<b>904,531</b>	<b>699,237</b>	<b>4,140,599</b>	<b>4,140,599</b>	<b>303,900</b>
<b>Total assets</b>	<b>2,456,299</b>	<b>3,189,085</b>	<b>1,085,207</b>	<b>1,450,736</b>	<b>8,181,327</b>	<b>3,161,746</b>
Deferred outflows of resources - unamortized deferred amounts on bond refundings		1,145			1,145	
Deferred outflows of resources - pensions		13,521		35,499	49,020	
<b>Total assets and deferred outflows of resources</b>	<b>2,456,299</b>	<b>3,203,751</b>	<b>1,085,207</b>	<b>1,486,235</b>	<b>8,231,492</b>	<b>3,161,746</b>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>						
Accounts payable and accrued liabilities	142,891	124	915	348,765	492,695	1,819,316
Intergovernmental payables	8,358	203		15,142	23,703	13,652
Due to other funds	1,321	217	204	68,648	70,390	50,454
Due to component units		54,006		1	54,007	276
Unearned revenue				20,925	20,925	7,413
Obligations under securities lending of State Treasurer		132,000		49,850	181,850	77,961
Short-term notes payable				183,557	183,557	
Current portion of long-term obligations	195,216	60	163,506	36,286	395,068	116,372
<b>Total current liabilities</b>	<b>347,786</b>	<b>186,610</b>	<b>164,625</b>	<b>723,174</b>	<b>1,422,195</b>	<b>2,085,444</b>
Noncurrent portion of long-term obligations	459,652	64,146	1,156,696	744,351	2,424,845	531,387
<b>Total liabilities</b>	<b>807,438</b>	<b>250,756</b>	<b>1,321,321</b>	<b>1,467,525</b>	<b>3,847,040</b>	<b>2,616,831</b>
Deferred inflows of resources - unamortized deferred amounts on bond refundings		378		45,141	45,519	
Deferred inflows of resources - pensions		2,235		12,343	14,578	
<b>Total liabilities and deferred inflows of resources</b>	<b>807,438</b>	<b>253,369</b>	<b>1,321,321</b>	<b>1,525,009</b>	<b>3,907,137</b>	<b>2,616,831</b>
<b>NET POSITION</b>						
Net investment in capital assets		41		5,707	5,748	291,910
Net position restricted for:						
Debt service				6,630	6,630	4,326
Repayment of loan from component unit		1,595,711			1,595,711	
Unemployment compensation benefits	2,225,097				2,225,097	
Municipal lending		1,374,700			1,374,700	
Education				38,369	38,369	
Unrestricted	(576,236)	(20,070)	(236,114)	(89,480)	(921,900)	248,679
<b>Total net position</b>	<b>\$ 1,648,861</b>	<b>\$ 2,950,382</b>	<b>\$ (236,114)</b>	<b>\$ (38,774)</b>	<b>\$ 4,324,355</b>	<b>\$ 544,915</b>

The accompanying notes to the financial statements are an integral part of this statement.

**State of Illinois**

**Statement of Revenues, Expenses and Changes in  
Fund Net Position - Proprietary Funds**

For the Year Ended June 30, 2015 (Expressed in Thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Unemployment Compensation Trust Fund	Water Revolving Fund	Prepaid Tuition Fund	Nonmajor Enterprise Funds	Total	
<b>OPERATING REVENUES</b>						
Charges for sales and services		\$ 411	\$ 2,963,504	\$ 2,963,915	\$ 3,156,472	
Interest income pledged as revenue bond security			22,253	22,253		
Interest and other investment income	\$ 9	\$ 46,568	44,090	90,667		
Participant contributions			23,261	23,261		
Employer contributions		2,397,190		2,397,190		
Other			12,806	12,806	468	
<b>Total operating revenues</b>	<b>2,397,199</b>	<b>46,568</b>	<b>67,762</b>	<b>2,998,563</b>	<b>5,510,092</b>	<b>3,156,940</b>
<b>OPERATING EXPENSES</b>						
Cost of sales and services			325,188	325,188	502,148	
Benefit payments and refunds	1,838,231		39,840	1,878,071	2,388,431	
Prizes and claims			1,817,478	1,817,478		
Interest			218	218		
General and administrative	26,559	5,899	181,192	213,650	108,283	
Depreciation	18		1,121	1,139	30,367	
Other	1,061	14,817	22,032	14,362	52,272	46
<b>Total operating expenses</b>	<b>1,839,292</b>	<b>41,394</b>	<b>27,931</b>	<b>2,379,399</b>	<b>4,288,016</b>	<b>3,029,275</b>
<b>Operating income (loss)</b>	<b>557,907</b>	<b>5,174</b>	<b>39,831</b>	<b>619,164</b>	<b>1,222,076</b>	<b>127,665</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Interest and investment income	32,146	1,542	17,025	50,713	849	
Interest expense	(3,132)	(2,486)	(12,370)	(17,988)	(113,173)	
Federal government	51	140,593	129,564	270,208	5,866	
Other revenues			158	158	893	
Other expenses			(5,609)	(5,609)	(51)	
<b>Income (loss) before transfers</b>	<b>586,972</b>	<b>144,823</b>	<b>39,831</b>	<b>747,932</b>	<b>1,519,558</b>	<b>22,049</b>
Contributions of capital assets					6,560	
Transfers-in			30,606	30,606		
Transfers-out	(24,372)		(785,556)	(809,928)		
<b>Change in net position</b>	<b>562,600</b>	<b>144,823</b>	<b>39,831</b>	<b>(7,018)</b>	<b>740,236</b>	<b>28,609</b>
Net position, July 1, 2014, as restated	1,086,261	2,805,559	(275,945)	(31,756)	3,584,119	516,306
<b>NET POSITION, JUNE 30, 2015</b>	<b>\$ 1,648,861</b>	<b>\$ 2,950,382</b>	<b>\$ (236,114)</b>	<b>\$ (38,774)</b>	<b>\$ 4,324,355</b>	<b>\$ 544,915</b>

The accompanying notes to the financial statements are an integral part of this statement.

**State of Illinois**

**Statement of Cash Flows -**

**Proprietary Funds**

For the Year Ended June 30, 2015 (Expressed in Thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds	
	Major						
	Unemployment Compensation Trust Fund	Water Revolving Fund	Prepaid Tuition Fund	Nonmajor Enterprise Funds	Total		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Cash received from sales and services		\$ 411	\$ 247,206	\$ 247,617	\$ 134,600		
Cash received from lottery sales			\$ 2,846,454	\$ 2,846,454		3,094,910	
Cash received from transactions with other funds							
Cash payments to suppliers for goods and services	\$ (5,999)	(4,427)	(189,582)	(200,008)	(2,777,977)		
Cash payments to employees for services	(16,405)	(1,995)	(60,121)	(78,521)		(168,639)	
Cash payments for lottery prizes			(1,709,693)	(1,709,693)			
Cash payments for commissions and bonuses			(161,607)	(161,607)			
Cash receipts from unemployment taxes	\$ 2,496,416			2,496,416			
Cash payments for unemployment benefits	(1,804,598)			(1,804,598)			
Cash receipts from prepaid tuition contract sales		32,867		32,867			
Cash payments for tuition		(120,167)		(120,167)			
Cash payments for tuition contract refunds		(18,237)		(18,237)			
Cash receipts from student loan principal			83,363	83,363			
Cash receipts from student loan interest			15,574	15,574			
Cash payments for student loans issued			(4,111)	(4,111)			
Cash receipts from refund of private management contract fee			37,129	37,129			
Cash payments for workers' compensation						(93,117)	
Cash receipts from other operating activities			7,946	7,946		58,666	
Cash payments for other operating activities	(753)		(258,489)	(259,242)			
Net cash provided (used) by operating activities	691,065	(22,404)	(111,548)	854,069	1,411,182	248,443	
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Principal paid on revenue bonds and other borrowings	(433,140)	(6,999)	(82,434)	(522,573)			
Interest paid on revenue bonds and other borrowings	(49,444)	(6,648)	(4,187)	(60,279)		(115,865)	
Grants received	4,308	140,896	131,387	276,591		5,846	
Grants paid			(5,749)	(5,749)			
Transfers-in from other funds			28,917	28,917			
Transfers-out to other funds	(25,239)		(749,492)	(774,731)			
Federal recovery funds	51			51			
Reimbursement for arbitrage		(342)		(342)			
Net cash provided (used) by noncapital financing activities	(503,464)	126,907	(681,558)	(1,058,115)		(110,019)	
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Acquisition and construction of capital assets			(363)	(363)		(13,940)	
Principal paid on capital debt		(1)		(1)		(3,555)	
Interest paid on capital debt						(829)	
Proceeds from sales of capital assets						16	
Net cash used by capital and related financing activities		(1)	(363)	(364)		(18,308)	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of investment securities	(79,068)	(226,491)	(68,289)	(373,848)			
Proceeds from sales and maturities of investment securities	126,952	322,276	70,060	519,288		517	
Cash paid to investment managers		(1,490)		(1,490)			
Cash paid for long-term annuity prizes payable			(39,825)	(39,825)			
Loan disbursements	(425,522)	(750)		(426,272)			
Loan repayments	191,302			191,302			
Interest and dividends on investments	32,155	43,393	18,966	742	95,256	815	
Net cash provided (used) by investing activities	32,155	(142,943)	112,511	(37,312)	(35,589)	1,332	
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>219,756</b>	<b>(38,441)</b>	<b>963</b>	<b>134,836</b>	<b>317,114</b>	<b>121,448</b>	
Cash and cash equivalents, July 1, 2014	1,471,307	307,558	3,835	290,113	2,072,813	243,262	
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 2015</b>	<b>\$ 1,691,063</b>	<b>\$ 269,117</b>	<b>\$ 4,798</b>	<b>\$ 424,949</b>	<b>\$ 2,389,927</b>	<b>\$ 364,710</b>	
<b>Reconciliation of cash and cash equivalents to the Statement of Net Position:</b>							
Total cash and cash equivalents per Statement of Net Position	\$ 56,453	\$ 724	\$ 34,717	\$ 91,894	\$ 76,405		
Add: cash equity with State Treasurer	\$ 269,117	4,074	370,740	643,931	288,305		
Add: deposits held by federal government	1,634,610			1,634,610			
Add: restricted cash equivalents			19,492	19,492			
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 2015</b>	<b>\$ 1,691,063</b>	<b>\$ 269,117</b>	<b>\$ 4,798</b>	<b>\$ 424,949</b>	<b>\$ 2,389,927</b>	<b>\$ 364,710</b>	

**State of Illinois**

**Statement of Cash Flows -**

**Proprietary Funds**

For the Year Ended June 30, 2015 (Expressed in Thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds	
	Major						
	Unemployment Compensation Trust Fund	Water Revolving Fund	Prepaid Tuition Fund	Nonmajor Enterprise Funds	Total		
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>							
<b>OPERATING INCOME (LOSS)</b>	\$ 557,907	\$ 5,174	\$ 39,831	\$ 619,164	\$ 1,222,076	\$ 127,665	
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation		18		1,121	1,139	30,367	
Provision for uncollectible accounts	164,761	14,817		5,231	184,809	97	
Recovery of private management contract fee				(21,776)	(21,776)		
Amortization				1,399	1,399		
In-kind contribution of services		255			255		
Interest and investment income	(9)	(46,568)	(40,626)	(5)	(87,208)		
Interest expense				218	218		
Miscellaneous income						944	
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:							
(Increase) decrease in accounts receivable	(45,339)		16,224	31,787	2,672	(12,150)	
(Increase) decrease in intergovernmental receivables	2,098			122	2,220	422	
(Increase) decrease in due from other funds	(418)			87	(331)	70,825	
(Increase) decrease in due from component units	36			(14)	22	(5,250)	
(Increase) decrease in loans and notes receivable				74,793	74,793		
(Increase) decrease in inventories						(1,906)	
(Increase) decrease in prepaid expenses				(19,986)	(19,986)	5	
(Increase) decrease in deferred outflows of resources - pensions		(9,590)		(21,382)	(30,972)		
Increase (decrease) in accounts payable and accrued liabilities	12,782	102	143	109,545	122,572	26,738	
Increase (decrease) in intergovernmental payables	(753)	190		4,767	4,204	4,537	
Increase (decrease) in due to other funds		202	(49)	370	523	6,509	
Increase (decrease) in due to component units		89	(617)		(528)	123	
Increase (decrease) in unearned revenue				4,135	4,135	1,772	
Increase (decrease) in net pension liability		10,730		20,091	30,821		
Increase (decrease) in other liabilities		(58)	(126,454)	(1,535)	(128,047)	(2,255)	
Increase (decrease) in long-term annuity prizes payable				33,594	33,594		
Increase (decrease) in deferred inflows of resources - pensions		2,235		12,343	14,578		
Total adjustments	133,158	(27,578)	(151,379)	234,905	189,106	120,778	
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 691,065</b>	<b>\$ (22,404)</b>	<b>\$ (111,548)</b>	<b>\$ 854,069</b>	<b>\$ 1,411,182</b>	<b>\$ 248,443</b>	
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>							
Cost of capital asset acquisitions financed by capital leases		\$ 27			\$ 27		
Gain (loss) on disposal of capital assets				\$ (1)	(1)	\$ (29)	
Transfer of assets from (to) other state funds				(8)	(8)	6,550	
Increase (decrease) in fair value of investments		\$ 22,893		3,811	26,704		
Interest accrued on investments				12,347	12,347		
Interest accrued on long-term annuity prizes payable				(12,347)	(12,347)		

The accompanying notes to the financial statements are an integral part of this statement.

**State of Illinois**

**Statement of Fiduciary Net Position -**

**Fiduciary Funds**

June 30, 2015 (Expressed in Thousands)

	Pension (and Other Employee Benefit) Trust Funds	Investment Trust Fund Public Treasurers' External Investment Pool	Private-Purpose Trust Funds	Agency Funds
<b>ASSETS</b>				
Cash equity with State Treasurer	\$ 296,325		\$ 1,241	\$ 463,309
Cash and cash equivalents	1,041,796	\$ 2,791,855	571,064	24,348
Securities lending collateral of State Treasurer	150,703		556	119,782
Investments:				
Equities	34,195,457		4,670,427	
Fixed income	12,750,039	866,863	2,364,825	986,663
Private equity	5,281,074			
Real estate	7,156,598			
Other	9,085,547			
Equity in Illinois State Board of Investments	15,811,715			
Securities lending collateral	3,640,630			
Receivables, net:				
Taxes				233,788
Members	80,516			
Employers	21,526			
Investment income	156,250	425	16,284	
Intergovernmental	340			589
Pending investment sales	5,511,706			
Other	20,578			208,180
Due from other funds	186			
Due from primary government funds	659,346			61,885
Due from component units	3,058			
Prepaid expenses	4,179			
Loans and notes receivable, net	34,280		39	
Other assets				110
Capital assets not being depreciated	1,741			
Capital assets being depreciated, net	13,684			
<b>Total assets</b>	<b>95,917,274</b>	<b>3,659,143</b>	<b>7,624,436</b>	<b>\$ 2,098,654</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	280,621	143	2,294	\$ 48,117
Intergovernmental payables	4			711,450
Due to other funds	186			
Due to primary government funds	3,908	217		
Due to component units				38
Obligations under securities lending of State Treasurer	150,703		556	119,782
Security lending collateral	3,640,495			
Payable to brokers for unsettled trades	6,028,157			
Depository and other liabilities			12,617	1,219,267
Long-term obligations:				
Due within one year	402			
Due subsequent to one year	4,226			
<b>Total liabilities</b>	<b>10,108,702</b>	<b>360</b>	<b>15,467</b>	<b>\$ 2,098,654</b>
<b>NET POSITION</b>				
Restricted for:				
Pension benefits	80,017,234			
Defined contribution	5,879,015			
Pool participants		3,658,783		
Individuals, organizations and other governments			7,608,969	
Unrestricted	(87,677)			
<b>Total net position</b>	<b>\$ 85,808,572</b>	<b>\$ 3,658,783</b>	<b>\$ 7,608,969</b>	

The accompanying notes to the financial statements are an integral part of this statement.

**State of Illinois**

**Statement of Changes in Fiduciary Net Position -  
Fiduciary Funds**

For the Year Ended June 30, 2015 (Expressed in Thousands)

	Pension (and Other Employee Benefit) Trust Funds	Investment Trust Fund Public Treasurers' External Investment Pool	Private-Purpose Trust Funds
<b>ADDITIONS</b>			
Deposits/Contributions:			
Employer	\$ 427,100		
State	6,830,860		
Participants			\$ 2,745,855
Members:			
Employees	1,839,164		
Retirees	136,349		
Federal Medicare Part D	3,031		
Other contributions	7,846		20
Total contributions	<u>9,244,350</u>		<u>2,745,875</u>
Investment income:			
Interest and other investment income	2,399,892	\$ 3,729	118,175
Net increase (decrease) in fair value of investments	1,241,222		104,014
Reimbursements of expenses			
not separable from investment income	3,545		
Less investment expense	(431,860)	(3,106)	
Net investment income	<u>3,212,799</u>	<u>623</u>	<u>222,189</u>
Capital share and individual account transactions:			
Shares sold		7,946,486	
Reinvested distributions		623	
Shares redeemed		(7,893,315)	
Net capital share and individual account transactions		53,794	
<b>Total additions</b>	<b>12,457,149</b>	<b>54,417</b>	<b>2,968,064</b>
<b>DEDUCTIONS</b>			
Benefit payments	10,614,312		
Refunds	221,608		
Payments in accordance with trust agreements			2,212,332
Distribution to pool investors		623	
Depreciation	2,247		
General and administrative	65,440		25,272
Other	1,484		
<b>Total deductions</b>	<b>10,905,091</b>	<b>623</b>	<b>2,237,604</b>
<b>Change in net position</b>			
<b>Restricted for:</b>			
<b>Pension benefits</b>	<b>1,387,161</b>		
Retiree health insurance benefits (unrestricted deficit)	18,491		
Defined contribution	146,406		
Pool participants		53,794	
<b>Individuals, organizations and other governments</b>			730,460
Net position, July 1, 2014	<u>84,256,514</u>	<u>3,604,989</u>	<u>6,878,509</u>
<b>NET POSITION, JUNE 30, 2015</b>	<b>\$ 85,808,572</b>	<b>\$ 3,658,783</b>	<b>\$ 7,608,969</b>

The accompanying notes to the financial statements are an integral part of this statement.

**State of Illinois**

**Statement of Net Position -  
Component Units**

June 30, 2015 (Expressed in Thousands)

	Illinois Housing Development Authority	Illinois State Toll Highway Authority	Other Authorities	Illinois State University	Northern Illinois University	Southern Illinois University	University of Illinois
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>							
Cash equity with State Treasurer	\$ 522	\$ 863,143					
Cash and cash equivalents	659,116	54,132	\$ 28,175	\$ 59,552	\$ 16,654	\$ 158,645	\$ 547,902
Securities lending collateral of State Treasurer	360		8,076				
Investments	104,294		25,243	326,770	239,602	155,173	1,729,858
Receivables, net:							
Intergovernmental	129	22,263	3,002				128,913
Other	4,263	9,809	1,668	15,573	34,726	53,808	461,150
Due from component units			60,192	61	117	69	9
Due from primary government	2,604	155,199	57,076	14,893	17,212	49,816	211,522
Inventories				2,696	3,321	9,366	29,210
Prepaid expenses		1,549	65	2,240	110	616	29,415
Unamortized bond insurance costs		6,193		562	805	1,078	
Loans and notes receivable, net	1,446,579			24,119	8,450	8,501	18,927
Restricted assets:							
Cash equity with State Treasurer		167,097	17,999				
Cash and cash equivalents		751,722	95,259	7,753	9,858	40,756	133,143
Investments	306,216	225,800	20,747	2,142	21,520	197,991	2,456,083
Other receivables, net	98,457	265	1,573	3			
Loans and notes receivable, net				17,367			
Other assets							
Derivative instrument - asset	9						
Other assets	19,198		113	4,318	1,378	12,029	4,222
Capital assets not being depreciated		1,206,620	48,404	38,712	57,006	115,907	462,682
Capital assets being depreciated, net	25,435	5,028,695	19,070	411,712	438,360	756,224	3,193,857
<b>Total assets</b>	<b>2,667,182</b>	<b>8,492,487</b>	<b>428,148</b>	<b>895,437</b>	<b>849,170</b>	<b>1,570,405</b>	<b>9,451,936</b>
Deferred outflows of resources - accumulated decrease in fair value of derivatives	1,663	257,182					17,649
Deferred outflows of resources - unamortized deferred amounts on bond refundings	1,403	71,788	767		931	2,665	44,130
Deferred outflows of resources - unamortized deferred amounts on certificates of participation refundings						285	12,266
Deferred outflows of resources - pensions			1,579	651	963	2,736	33,473
<b>Total assets and deferred outflows of resources</b>	<b>2,670,248</b>	<b>8,821,457</b>	<b>430,494</b>	<b>896,088</b>	<b>851,064</b>	<b>1,576,091</b>	<b>9,559,454</b>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>							
Accounts payable and accrued liabilities	71,132	359,505	6,484	19,590	46,455	43,125	531,177
Intergovernmental payables		17,993					
Due to component units			29,932	2	3,508	20	26,982
Due to primary government	348,688	79,246	6,407		1,047	20	29,474
Unearned revenue	11,161	181,712	1,297	11,384	21,303	39,416	177,782
Obligations under securities lending collateral of State Treasurer	360		8,076				
Assets held for others	150,157		37	7,143		21,419	31,799
Short-term notes payable	1,663	257,182					3,257
Derivative instrument - liability			2,882				20,604
Other liabilities							
Long-term obligations:							
Due within one year	31,224	139,842	27,897	12,252	11,752	36,940	176,273
Due subsequent to one year	1,053,456	5,307,272	175,107	152,713	377,806	364,994	2,039,310
<b>Total liabilities</b>	<b>1,667,841</b>	<b>6,342,752</b>	<b>258,119</b>	<b>203,084</b>	<b>461,871</b>	<b>505,934</b>	<b>3,036,658</b>
Deferred inflows of resources - loan origination points	14,861						
Deferred inflows of resources - accumulated increase in fair value of derivatives	9						
Deferred inflows of resources - unamortized deferred amounts on bond refundings	267						
Deferred inflows of resources - unearned revenue		5,200					
Deferred inflows of resources - pensions			329				
<b>Total liabilities and deferred inflows of resources</b>	<b>1,688,178</b>	<b>6,342,752</b>	<b>258,448</b>	<b>203,084</b>	<b>461,871</b>	<b>505,934</b>	<b>3,036,658</b>
<b>NET POSITION</b>							
Net investment in capital assets	(3,650)	1,227,483	38,162	308,787	153,658	568,601	2,195,549
Restricted for:							
Debt service			410,021	1,688		19,352	38,307
Capital projects						56,577	3,382
Nonexpendable purposes				70,558	64,555	111,362	1,066,294
Other expendable purposes	829,268	58	68,159	61,545	24,170	100,874	1,566,280
Unrestricted	156,452	841,143	64,037	252,114	146,810	213,391	1,652,984
<b>Total net position</b>	<b>\$ 982,070</b>	<b>\$ 2,478,705</b>	<b>\$ 172,046</b>	<b>\$ 693,004</b>	<b>\$ 389,193</b>	<b>\$ 1,070,157</b>	<b>\$ 6,522,796</b>

The accompanying notes to the financial statements are an integral part of this statement.

<b>Other Universities</b>	<b>Total</b>
\$ 524	\$ 864,189
207,568	1,731,744
301	8,737
19,846	2,600,786
4,972	159,279
44,246	625,243
28	60,476
32,110	540,432
4,863	49,456
2,159	36,154
406	9,044
13,989	1,584,535
	185,096
21,570	1,060,061
133,611	3,364,110
1,819	102,117
	17,367
4,896	4,896
9	
3,035	44,293
169,831	2,099,162
837,823	10,711,176
<b>1,503,597</b>	<b>25,858,362</b>
	276,494
603	122,287
	12,551
1,755	41,157
<b>1,505,955</b>	<b>26,310,851</b>
58,165	1,135,633
3,848	21,841
32	60,476
322	465,204
20,537	464,592
301	8,737
4,742	215,297
	3,257
7,257	279,449
	10,139
25,453	461,633
329,033	9,799,691
<b>449,690</b>	<b>12,925,949</b>
	14,861
9	
	267
	5,200
	329
<b>449,690</b>	<b>12,946,615</b>
706,178	5,194,768
4,341	473,709
127	60,086
96,468	1,409,237
61,523	2,711,877
187,628	3,514,559
<b>\$ 1,056,265</b>	<b>\$ 13,364,236</b>

**State of Illinois****Statement of Activities -****Component Units**

For the Year Ended June 30, 2015 (Expressed in Thousands)

Functions/Programs	Expenses	Program revenues			Capital grants and contributions	Net (expense) revenue
		Charges for service	Operating grants and contributions			
<b>Authorities:</b>						
Illinois Housing Development Authority	\$ 395,185	\$ 87,389	\$ 258,199		\$ (49,597)	
Illinois State Toll Highway Authority	867,663	1,042,821			175,158	
Other authorities	41,364	20,443	1,347	\$ 10,192	(9,382)	
<b>Universities:</b>						
Illinois State University	565,673	279,158	54,805	315	(231,395)	
Northern Illinois University	606,135	263,779	93,215		(249,141)	
Southern Illinois University	1,216,950	533,481	150,063	766	(532,640)	
University of Illinois	5,683,617	2,717,906	977,697	2,782	(1,985,232)	
Other universities	1,033,685	371,055	167,915	6,424	(488,291)	
Total	<u>\$ 10,410,272</u>	<u>\$ 5,316,032</u>	<u>\$ 1,703,241</u>	<u>\$ 20,479</u>	<u>\$ (3,370,520)</u>	

The accompanying notes to the financial statements are an integral part of this statement.

Pension revenue recognized	General revenues			Additions to permanent endowments	Total general revenues and additions to permanent endowments	Change in net position	Net position, July 1, 2014, as restated	Net position, June 30, 2015
	State appropriations	Interest and investment income	Other					
	\$ 36,935	\$ 340		\$ 37,275	\$ (12,322)	\$ 994,392	\$ 982,070	
	1,058	56,153		57,211	232,369	2,246,336	2,478,705	
	1,860	7,471		9,331	(51)	172,097	172,046	
\$ 69,807	\$ 140,012	6,201	45,738	\$ 1,790	263,548	32,153	660,851	693,004
75,306	169,384	1,437	3,350	2,082	251,559	2,418	386,775	389,193
157,578	355,907	2,362	37,458	2,034	555,339	22,699	1,047,458	1,070,157
681,300	1,165,196	75,181	177,200	43,947	2,142,824	157,592	6,365,204	6,522,796
155,414	343,355	805	6,210	9,605	515,389	27,098	1,029,167	1,056,265
<u>\$ 1,139,405</u>	<u>\$ 2,173,854</u>	<u>\$ 125,839</u>	<u>\$ 333,920</u>	<u>\$ 59,458</u>	<u>\$ 3,832,476</u>	<u>\$ 461,956</u>	<u>\$ 12,902,280</u>	<u>\$ 13,364,236</u>

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*Index of Notes to the Financial Statements*

Note	1	Summary of Significant Accounting Policies.....	52
Note	2	Fund Balance/Net Position.....	68
Note	3	Deposits and Investments.....	70
Note	4	Taxes Receivable.....	87
Note	5	Interfund Balances and Activity.....	88
Note	6	Loans and Notes Receivable.....	90
Note	7	Capital Assets.....	91
Note	8	Changes in Long-Term Obligations.....	96
Note	9	General Obligation Bonds.....	100
Note	10	Special Obligation Bonds.....	104
Note	11	Revenue Bonds.....	108
Note	12	Notes Payable/Short-Term Borrowings.....	113
Note	13	Other Long-Term Obligations.....	115
Note	14	Derivatives.....	120
Note	15	Refundings of Long-Term Obligations.....	134
Note	16	Retirement Systems.....	136
Note	17	Postemployment Benefits.....	148
Note	18	Fund Deficits/Cash Flow Deficits.....	152
Note	19	Risk Management.....	153
Note	20	Commitments and Contingencies.....	156
Note	21	Segment Information.....	161
Note	22	Subsequent Events.....	162
Note	23	Contractual Violation.....	163

**STATE OF ILLINOIS**  
**Notes to the Financial Statements**  
**June 30, 2015**

***1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

The accompanying financial statements of the State of Illinois have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as prescribed in pronouncements of the Governmental Accounting Standards Board (“GASB”).

**A. *Financial Reporting Entity***

The State of Illinois is a “primary government” whose financial statements consist of the primary government and organizations for which the primary government is financially accountable. The financial statements include all funds, elected offices, departments, and agencies as well as boards, commissions, authorities, and universities for which the State’s elected officials are financially accountable. Financial accountability exists when (1) the State’s governing body appoints a majority of an organization’s governing board and either (a) the State can impose its will upon the organization or (b) there is a potential for the organization to provide specific financial benefit to, or impose specific financial burdens on, the State, or (2) the organization has fiscal dependency on the State.

The State’s governing body consists of the legislative, executive, and judicial branches of government. The legislative function is controlled by an elected General Assembly composed of a 59-member Senate and a 118-member House of Representatives. The executive branch consists of the Governor (the chief executive of the State), the Lieutenant Governor, the Attorney General, the Secretary of State, the Comptroller, and the Treasurer. The judicial branch is composed of a seven-member Supreme Court, five Appellate court districts, and twenty-four Circuit Court judicial districts including Cook County.

The financial statements distinguish between the “primary government” and its “component units.” The State’s participation in a joint venture, related organizations, and jointly governed organizations is separately disclosed below. The primary government, which consists of organizations that make up the State’s legal entity, is the nucleus of the State’s reporting entity. Component units are legally separate organizations for which the State is financially accountable. Complete financial statements of the individual component units can be obtained from the respective component unit’s administrative offices (as listed in parentheses below).

**Fiduciary Component Units**

The State has two fiduciary component units that administer pension (and other employee benefit) trust funds. These entities are legally separate from the State and meet the definition of a component unit because they are fiscally dependent on the State; however, due to their fiduciary nature they are presented in the Fiduciary Fund Statements as pension (and other employee benefit) trust funds along with other primary government fiduciary funds.

1. *Teachers' Retirement System ("TRS")*. TRS is the administrator of a cost-sharing multiple-employer public employee defined benefit pension plan which provides coverage to teachers employed by public school districts in Illinois (excluding Chicago) even though most covered employees are not State employees. The State of Illinois is legally mandated to make contributions to TRS.
2. *State Universities Retirement System ("SURS")*. SURS is the administrator of a cost-sharing multiple-employer public employee defined benefit pension plan which provides coverage to faculty and staff of State universities, community colleges, and related agencies even though most covered employees are not State employees. The State of Illinois is legally mandated to make contributions to SURS.

### **Blended Component Unit**

The following component unit is reported, as exclusion would be misleading to the State's financial statements, as though they are a part of the primary government using the blending method since they provide services primarily to benefit the State:

1. *Railsplitter Tobacco Settlement Authority ("RTSA")*. The RTSA was established in July 2010 as a special purpose corporation to sell revenue bonds, repayment of which is supported solely by future tobacco settlement revenues ("TSRs"). The State relinquished rights to \$4.1 billion of TSRs to RTSA in exchange for a significant portion of the revenue bond proceeds and a residual certificate representing the State's ownership in excess TSRs to be received by RTSA during the term of the Sales Agreement. (Administrative Office: James R. Thompson Center, 100 W. Randolph St., Chicago, Illinois 60601.)

### **Discretely Presented Component Units**

Discretely presented component units are reported in separate columns to emphasize that they are legally separate from the State. The discretely presented component units presented below have a voting majority of their governing bodies appointed by the State.

1. *Illinois Housing Development Authority ("IHDA")*. The IHDA issues notes and bonds to make loans for the acquisition, construction, and rehabilitation of housing and to encourage home ownership. The State approves bonds and notes issued by the IHDA and is secondarily liable for its debt if there is not sufficient IHDA monies available to pay principal and interest. (Administrative Offices: 401 North Michigan Avenue, Suite 700, Chicago, Illinois 60611.)
2. *Illinois State Toll Highway Authority ("THA")*. The THA operates a toll highway system to promote the public welfare and to facilitate vehicular traffic by providing convenient, safe, modern, and limited access highways within Illinois. The State approves new toll highways and issuance of bonds. The THA reports on a December 31 year-end. (Administrative Offices: 2700 Ogden Avenue, Downers Grove, Illinois 60515.)
3. *Comprehensive Health Insurance Plan ("CHIP") Board*. The CHIP provides an alternate market for health insurance for eligible Illinois residents having a pre-existing health condition. The State provides significant operating subsidies to the CHIP. (Administrative Offices: 320 West Washington, Suite 700, Springfield, Illinois 62701.)

4. *Illinois Finance Authority* (“Authority”). The Authority was created to foster economic development to the public and private institutions that create and retain jobs and improve the quality of life in Illinois by providing access to capital. The State approves bonds and notes issued by the Authority and has a moral obligation for its debt if there are not sufficient Authority monies to pay principal and interest. (Administrative Offices: 160 North LaSalle Street, Suite S-1000, Chicago, Illinois 60601.)
5. *Illinois Medical District Commission* (“Commission”). The Commission was created to maintain and expand a designated “medical district.” The Illinois Finance Authority has issued bonds on behalf of the Commission. The State has a moral obligation for this debt if there are not sufficient monies to pay principal and interest. (Administrative Offices: 2100 W. Harrison Street, Chicago, Illinois 60612.)
6. *Southwestern Illinois Development Authority* (“Authority”). The Authority promotes economic development within the counties of St. Clair and Madison in the State of Illinois. The State approves bonds and notes issued by the Authority and has a moral obligation for its debt if there are not sufficient Authority monies to pay principal and interest. (Administrative Offices: 1022 Eastport Plaza Drive, Collinsville, Illinois 62234.)
7. *Upper Illinois River Valley Development Authority* (“Authority”). The Authority promotes economic development within the counties of Grundy, LaSalle, Bureau, Putnam, Kendall, Kane, McHenry, and Marshall in the State of Illinois. The State approves bonds and notes issued by the Authority and has a moral obligation for its debt if there are not sufficient Authority monies to pay principal and interest. (Administrative Offices: 633 LaSalle Street, Suite 401, Ottawa, Illinois 61350.)
8. *Boards of Trustees of Chicago State University* (“CSU”), *Eastern Illinois University* (“EIU”), *Governors State University* (“GSU”), *Northeastern Illinois University* (“NEIU”), *Western Illinois University* (“WIU”), *Illinois State University* (“ISU”), *Northern Illinois University* (“NIU”), *Southern Illinois University* (“SIU”), and *University of Illinois* (“U of I”) (“boards”). The boards of the respective universities operate, manage, control, and maintain the schools. The State provides significant financial support to the boards of the universities. Certain universities have donor restricted endowments that are restricted as to spending by the donor which are detailed in their separately issued financial statements. The Uniform Management of Institutional Funds Act permits the boards to spend net appreciation of endowments as they determine to be prudent. (Administrative Offices:
  - CSU, 9501 South King Drive, Chicago, Illinois 60628
  - EIU, 600 Lincoln Avenue, Charleston, Illinois 61920
  - GSU, 1 University Parkway, University Park, Illinois 60484
  - NEIU, 5500 North St. Louis Avenue, Chicago, Illinois 60625
  - WIU, 1 University Circle, Macomb, Illinois 61455
  - ISU, Hovey Hall, Normal, Illinois 61790
  - NIU, 300 Altgeld Hall, DeKalb, Illinois 60115
  - SIU, 1400 Douglas Drive, Carbondale, Illinois 62901
  - U of I, 111 East Green, Champaign, Illinois 61820.)

**Joint Venture**

The State is a participant with the states of Michigan, Minnesota, New York, Ohio, Pennsylvania, and Wisconsin in the Great Lakes Protection Fund (“Fund”), an Illinois not-for-profit corporation. The Fund is the nation’s first multi-state environmental endowment and was established in 1989 for furthering Federal and State commitments to programs that restore and maintain the Great Lakes’ water quality. This purpose is achieved by providing grant money for projects that promote the objectives of the regional Great Lakes Toxic Substance Control Agreement and the binational Great Lakes Water Quality Agreement.

A state becomes a member of the Fund by agreeing to contribute an amount set forth in the Articles of Incorporation. The required contribution from all member states at incorporation was \$81 million. The Fund’s net position on December 31, 2014, was \$128.449 million.

Once a state agrees to make the required contribution, that state’s governor becomes a “member” of the Fund. Each member is entitled to appoint two individuals to the board of directors. Budgetary and financial decisions rest with the board of directors except where restricted by the Articles of Incorporation. Two-thirds of the Fund’s income is used to finance projects compatible with the organization’s objectives as set forth in the Articles of Incorporation. The remaining one-third of income is paid to member states in proportion to the amount and period of time that each state’s contribution was invested with the Fund (“state shares”). Illinois received a state share for 2014 of \$326 thousand. Complete financial statements of the Fund can be obtained from the Fund’s Administrative Offices at 1560 Sherman Avenue, Suite 1370, Evanston, Illinois 60201.

**Related Organizations and Jointly Governed Organizations**

The State’s officials are responsible for appointing the majority of the members of the boards of various related organizations, but the State’s accountability for these organizations does not extend beyond making the appointments.

The State’s officials, in conjunction with various other state and local government officials, are members of the boards of other organizations. However, the State has no ongoing financial interest or responsibility except the role of a participant in the various organizations’ purpose and, in certain instances, pays annual dues or assessments.

***B. Basis of Presentation*****Government-wide Financial Statements**

The Statement of Net Position and the Statement of Activities display information about the State and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the State and between the State and its discretely presented component units. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Net Position presents the reporting entity's non-fiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Net position is reported in three categories:

- **Invested in capital assets component of net position** consists of capital assets, net of accumulated depreciation reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.
- **Restricted component of net position** results when constraints placed on the use of net position are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through enabling legislation.
- **Unrestricted component of net position** consists of the portion of net position which does not meet the definition of the two preceding categories. The unrestricted component of net position often has constraints that are imposed by management, but can be removed or modified.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the State and for each function of the State's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

## Fund Financial Statements

The fund financial statements provide information about the State's funds, including fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis in fund financial statements is on the major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, generally result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, generally result from nonexchange transactions or ancillary activities.

Proprietary fund operating expenses include costs directly related to providing services and producing and delivering goods. All expenses not meeting this definition are reported as nonoperating expenses.

The State reports the following major governmental funds:

**General** – This is the State's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund. These services include, among others, employment and economic development, education, and health and social services. Certain resources obtained from federal grants and used to support general governmental activities are accounted for in the General Fund consistent with applicable legal

requirements. The State's General Fund contains four primary sub-accounts (General Revenue, Education Assistance, Common School, and Medicaid Provider Assessment Program) with numerous secondary sub-accounts.

**Road** – This fund accounts for the activities of the State highway programs including highway maintenance and construction, traffic control and safety, and administering motor vehicle laws and regulations. Funding sources include federal aid, transfers from the Motor Fuel Tax Fund, and various license and fee charges.

**State Construction Account** – This fund accounts for the construction, reconstruction, and maintenance of the State maintained highway system. Funding sources include a portion of motor vehicle registration fees, weight taxes, and transfers from the Motor Fuel Tax Fund.

The State reports the following major proprietary funds:

**Unemployment Compensation Trust** – This fund accounts for the activities of the unemployment insurance program including employer contributions, Federal Unemployment Trust advances, and benefit claims.

**Water Revolving** – This fund accounts for the activities of a revolving loan program for local government drinking water and sewage treatment infrastructure. Certain loans receivable in the fund are restricted due to revenue bond covenants.

**Prepaid Tuition** – This fund accounts for the net position held by *College Illinois!*, the Illinois prepaid tuition program. The program provides Illinois families with an affordable tax-advantaged method to pay for college.

Additionally, the State reports the following fund types:

#### **Governmental Fund Types:**

**Special Revenue** – These funds account for and report resources obtained from specific revenue sources that are legally restricted, committed or assigned to expenditures for specified purposes. Special revenue funds account for, among other things, federal grant programs, taxes levied with statutorily defined distributions, and other resources restricted as to purpose.

**Debt Service** – These funds account for and report governmental resources obtained and restricted, committed, or assigned to pay interest and principal on general long-term debt (other than capital leases, installment purchases, workers' compensation, and net pension liability).

**Capital Projects** – These funds account for and report resources obtained and restricted, committed, or assigned to the acquisition or construction of major capital facilities. Such resources are derived principally from proceeds of general and special obligation bond issues and certificates of participation.

**Permanent** – These funds account for and report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that benefit the government or its citizens.

**Proprietary Fund Types:**

**Enterprise** – These funds account for operations where the intent of the State is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

**Internal Service** – These funds account for data processing, printing, fleet management, telecommunications, professional services, workers' compensation claims, medical and dental benefits for State employees, and other services provided to agencies of the State on a reimbursement basis.

**Fiduciary Fund Types:**

**Pension (and Other Employee Benefit) Trust** – These funds account for resources that are required to be held in trust for the members and beneficiaries of the State's five Public Employee Retirement Systems, the State's Deferred Compensation Plan Fund, and the health insurance postemployment benefit plans for community colleges and for local school districts, excluding Chicago, administered by the State.

**Investment Trust** – The Public Treasurer's External Investment Pool Fund accounts for the external portion of the investment pool sponsored by the State.

**Private-Purpose Trust** – These funds account for resources legally held in trust for use by individuals in the State's qualified tuition program under Section 529 of the Internal Revenue Code and other amounts held for individuals, private organizations, and other governments. There is no requirement that any portion of these resources be preserved as capital.

**Agency** – These funds account for collections of child support payments, sales and telecommunications taxes assessed by local governments but collected by the State, and other deposits, deductions, and property collected by the State, acting in the capacity of an agent, for distribution to other governmental units or designated beneficiaries.

**Component Units**

The component units' statements provide aggregate information about the State's discretely presented component units, emphasizing major component units. The State's major component units are the Illinois Housing Development Authority, the Illinois State Toll Highway Authority, Illinois State University, Northern Illinois University, Southern Illinois University, and the University of Illinois.

**C. Measurement Focus and Basis of Accounting****Government-wide, Proprietary Fund, Fiduciary Fund, and Component Unit Financial Statements**

The government-wide, proprietary fund, fiduciary fund, and component unit financial statements are reported using the economic resources measurement focus (except for agency funds which do not have a measurement focus) and the accrual basis of accounting. Revenues and additions are recorded when earned and expenses and deductions are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the State gives (or receives) value without directly receiving (or giving) equal value in

exchange, include income taxes, excise taxes, wealth taxes, grants, entitlements, and donations. On an accrual basis, revenues from self-assessed taxes, principally income, excise, and wealth taxes, are recognized in the fiscal year in which the underlying exchange transaction occurs. Revenue from grants, entitlements, and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

### **Governmental Fund Financial Statements**

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the State considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, principal and interest on formal debt issues, claims and judgments, and compensated absences are recorded only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of formal debt issues and acquisitions under capital leases and installment purchases are reported as other financing sources.

Significant revenue sources which are susceptible to accrual include individual and corporate income taxes, sales taxes, public utility taxes, motor fuel taxes, and interest income. The tax revenues are recorded by the State as taxpayers earn income (individual income tax, corporate income tax, and other taxes), as sales are made (sales taxes, public utility taxes, motor fuel taxes, and other taxes), or as the taxable event occurs (other taxes) net of estimated overpayments and amounts not expected to be collected. All other revenue sources including fines, penalties, licenses, and other miscellaneous revenues are considered to be measurable and available only when cash is received.

#### **D. *Eliminations***

Eliminations have been made in the government-wide statement of net position to minimize the “grossing-up” effect on assets and liabilities within the governmental and business-type activities columns of the primary government. As a result, amounts reported in the funds as interfund receivables and payables have been eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances. Amounts reported in the funds as receivable from or payable to fiduciary funds have been included in the statement of net position as receivable from and payable to external parties, rather than as internal balances.

Eliminations have been made in the statement of activities to remove the “doubling-up” effect of internal service fund activity. The effect of similar internal events that are, in effect, allocations of overhead expenses from one function to another or within the same function also have been eliminated, so that the allocated expenses are reported only by the function to which they were allocated.

***E. Cash Equivalents***

Cash equivalents are defined as short-term, highly liquid investments readily convertible to cash with maturities of 90 days or less at time of purchase. Cash equivalents consist principally of certificates of deposit, repurchase agreements, and U.S. treasury bills and are stated at cost.

***F. Investments***

Investments are reported at fair value. Generally, the marketable securities are valued at closing prices listed on national securities exchanges and quotes from independent pricing services as of June 30. Real estate and venture capital are valued based upon appraisals and discounted cash flow analysis.

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a 2a7-like pool and thus reports all investments at amortized cost rather than market value. The fair value of the pool is the same as the value of the pool shares. The Treasurer's investment policies are governed by State statute. In addition, the Treasurer's Office has adopted its own investment practices that supplement the statutory requirement. The Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

The State's financial statements contain certain investments that meet the definition of "derivatives." Derivative investments included in the pension trust funds are described in more detail in Note 14.

***G. Inventories and Prepaid Expenditures***

Inventory is generally reported on the financial statements at moving-average cost. For governmental funds, the State recognizes the costs of material inventories as expenditures when purchased. The inventory amounts reported in the governmental funds do not reflect current appropriable resources, and therefore, the State reports an equivalent portion as nonspendable fund balance.

For governmental funds, prepaid expenditures are recognized when paid.

***H. Interfund Transactions***

The State has the following types of interfund transactions:

**Interfund Loans** – amounts provided with a requirement for repayment, which are reported as interfund receivables in lender funds and interfund payables in borrower funds. When interfund loan repayments are not expected within a reasonable time, the interfund balances are reduced and the amount that is not expected to be repaid is reported as a transfer from the fund that made the loan to the fund that received the loan.

**Services provided and used** - sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts at year-end are reported as interfund receivables and payables in the fund balance sheets or fund statements of net position.

**Reimbursements** - repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

**Transfers** - flows of assets (such as cash or goods) between funds without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after nonoperating revenues and expenses.

## I. Capital Assets

Capital assets, which include property, plant, equipment, intangible items and infrastructure, are reported at cost or estimated historical cost based on appraisals or deflated current replacement costs. Contributed assets are reported at estimated fair value at the time received.

Capitalization thresholds of the primary government generally are as follows:

Table 1-1 (amounts expressed in thousands)		
Capital Asset Category	Capitalization Threshold	
Infrastructure	\$	250
Land		100
Land Improvements		25
Site Improvements		25
Buildings		100
Building Improvements		25
Equipment		5
Works of Art and Historical Treasures		5
Intangible assets - internally generated		1,000
Intangible assets - non-internally generated		25

Certain component units, however, may have adopted different capitalization thresholds. These thresholds can be obtained from their separately issued financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's estimated useful life are not capitalized.

Major capital outlays for capital assets and improvements are capitalized as project costs are incurred. Interest incurred during the construction phase of capital assets used in business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Capital Asset Category	Estimated Useful Lives (In Years)
Infrastructure	5-50
Land	N/A
Land Improvements	N/A
Site Improvements	3-50
Buildings	10-60
Building Improvements	10-45
Equipment	3-25
Works of Art and Historical Treasures	5-7
Intangible assets - internally generated	3-25
Intangible assets - non-internally generated	3-25

The State and the University of Illinois, a major component unit, do not capitalize certain collections of works of art or historical treasures held for public exhibition, education, or research in furtherance of public service rather than capital gain. These collections are protected, kept unencumbered, cared for, and preserved. Proceeds from the sale, exchange, or other disposal of any item belonging to non-capitalized collections of works of art or historical treasures for the State and the University of Illinois must be applied to the acquisition of additional items for the same collection.

#### **J. Retirement Costs**

Substantially all State employees, including members of the General Assembly and Judicial Branch, participate in one of three State public employee retirement systems (see Note 16). The State also maintains and funds public employee retirement systems for employees of various State supported universities and community colleges and for public school teachers in cities other than Chicago. It is the State's policy to fund retirement costs without regard to amounts calculated under the actuarial requirements. Except for in fiscal year 2004 when the State contributed the majority of the proceeds from a \$10 billion general obligation bond, the State's contributions have been less than the retirement benefits paid during the year for the last thirty-four fiscal years. Prior to fiscal year 1982, the State had funded the retirement costs at a level at least as great as the retirement benefits paid during the year.

In accordance with the State's adoption of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, the net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense have been recognized in the government-wide, proprietary fund, and component unit financial statements.

The net pension liability is calculated as the difference between the actuarially calculated value of the projected benefit payments attributed to past periods of service and the plans' fiduciary net position. The total pension expense is comprised of the service cost or actuarial present value of projected benefit payments attributed to the valuation year, interest on the total pension liability, plan administrative expenses, current year benefit changes, and other changes in plan fiduciary net position less employee contributions and projected earnings on plan investments.

Additionally, the total pension expense includes the annual recognition of outflows and inflows of resources due to pension assets and liabilities.

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources, expense and expenditures associated with the State's contribution requirements, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported within the separately issued plan financial statements. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with terms of the plan. Investments are reported at fair value.

**K. *Capital Appreciation (“deep-discount”) Bonds***

Capital appreciation bonds are those bonds that are issued at stated interest rates significantly below their effective interest rate, resulting in a substantial discount. The implicit interest (i.e., discount) is not paid until the bonds mature. Therefore, the net value of the bonds “accrete” (i.e., the discount is reduced) over the life of the bonds. Capital appreciation bonds are reported in the government-wide statement of net position at their accreted value.

**L. *Compensated Absences***

The liability for compensated absences reported in the government-wide, proprietary, and fiduciary fund financial statements consists of unpaid accumulated vacation and sick leave balances. A liability for these amounts is reported in governmental funds only if the liability has matured, for example, as a result of employee resignations and retirements. The liability has been calculated using the vesting method, in which leave amounts for both employees who are currently eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments are included. The liability has been calculated based on the employees' current salary level and includes salary related costs (e.g., Social Security and Medicare tax).

Legislation that became effective January 1, 1998, capped the paid sick leave for all State Employees' Retirement System members at December 31, 1997. Employees continue to accrue twelve sick days per year, but will not receive monetary compensation for any additional time earned after December 31, 1997.

Sick days earned between 1984 and December 31, 1997, (with a 50% cash value) would only be used after all days with no cash value are depleted. Any sick days earned and unused after December 31, 1997 will be converted to service time for purposes of calculating employee pension benefits.

Component unit financial statements also include a liability amount for compensated absences. However, they may have adopted different compensated absences policies. These policies can be obtained from their separately issued financial statements.

**M. *Bond Premiums, Discounts, and Insurance/Issuance Costs***

In the government-wide and proprietary fund financial statements, bond premiums and discounts, as well as bond insurance costs, are deferred and amortized over the life of the bonds using the bonds outstanding method. Bonds payable are reported net of the applicable bond premium or

discount. Bond insurance costs are reported as deferred charges and amortized over the term of the related debt. All other bond issuance costs are recognized as expenses in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond insurance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

***N. Advance Refundings of Debt***

In the government-wide and proprietary fund financial statements, gains and losses from advance refundings of debt resulting in defeasance are deferred and amortized as a component of interest expense over the shorter of the remaining life of the old debt or the life of the new debt using the effective interest method. The deferred amounts on bond refundings are reported as deferred outflows of resources and deferred inflows of resources.

***O. Pollution Remediation Obligations***

In the government-wide financial statements, pollution remediation obligations are reported at the current value of expected outlays to fund remediation costs using the expected cash flows technique. This technique measures the sum of probability-weighted amounts in a range of possible estimated amounts and uses all expectations about possible cash flows on a site-specific basis. Such ranges are weighted within “most likely,” “worst case,” and/or “best case” scenarios and are based on actual remediation cost experience, remediation cost estimates, and/or discrete cost remediation treatment possibilities. All reported obligation amounts are estimates and are subject to change resulting from price increases or reductions, technology, or changes in applicable laws or regulations. In cases where remediation activities beyond site investigation/assessment or feasibility studies have not begun, remaining remediation costs are not reasonably estimable and liabilities for such cases are not reported.

***P. Net Position/Fund Balances***

The difference between fund assets, deferred outflows of resources, liabilities, and deferred inflows of resources is “Net Position” on government-wide, proprietary fund, and fiduciary fund financial statements and “Fund Balance” on governmental fund financial statements.

The following classifications of fund balances for governmental funds comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds:

**Nonspendable** – includes amounts that cannot be spent because they are either not in spendable form, such as inventories, or are contractually required to be maintained intact.

**Restricted** – includes amounts restricted for specific purposes, that is, containing constraints placed on the use of the resources either by an external party, such as creditors, grantors, contributors or laws or regulations of other governments, or by imposition of law through constitutional provisions or enabling legislation.

**Committed** – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the State's highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the State removes or changes the specified use by taking the same type of action it employed to previously commit the amounts. The uses of these funds are established by bills passed by the legislature and approved by the Governor of the State of Illinois.

**Assigned** – amounts constrained by the State's intent to be used for specific purposes, which don't meet the restricted or committed criteria. Intent can be expressed by the Illinois State Legislature whom the State has delegated the authority to assign amounts to be used for specific purposes.

**Unassigned** – includes the residual fund balance (deficit) which has not been restricted, committed or assigned to specific purposes within the general fund and deficit fund balances of other governmental funds.

The State utilizes encumbrance accounting to identify governmental fund obligations. Unexpended appropriations at June 30<sup>th</sup> are available for subsequent expenditure to the extent that encumbrances for the purchase of equipment and commodities have been incurred at June 30<sup>th</sup>, provided the expenditure is presented for payment during the succeeding two months.

The State has a general policy to use restricted resources first for expenditures incurred for which both restricted and unrestricted (committed, assigned or unassigned) resources are available. When expenditures are incurred for which only unrestricted resources are available, the policy is to use committed resources first, then assigned. Unassigned amounts are only used after the other resources have been used.

#### ***Q. Endowments***

For donor restricted endowments, the Uniform Prudent Management of Institutional Funds Act, as adopted by the State of Illinois, permits the State and its component units to appropriate an amount of realized and unrealized endowment appreciation as determined to be prudent. The State and its component units' policy is to retain the realized and unrealized appreciation within the endowment after spending rule distributions. Amounts available for expenditure are reported as restricted fund balances in governmental fund financial statements and as expendable restricted net position held as permanent investments on government-wide, proprietary fund, and fiduciary fund financial statements.

#### ***R. Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### ***S. New Accounting Pronouncements***

Effective for the year ending June 30, 2015, the State adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*,

which establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, expenses, and expenditures. The statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. The implementation of this Statement significantly impacted the State's government-wide financial statements and footnote disclosures with the recognition of a net pension liability, deferred outflows of resources and deferred inflows of resources on the Statement of Net Position and pension expense on the Statement of Activities. Information regarding the State's retirement systems is disclosed in Note 16. Additionally, the requirements of this statement resulted in the restatement of beginning net position, as detailed in Note 2.

Effective for the year ending June 30, 2015, the State adopted GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, which establishes standards related to government combinations and disposals of government operations, including combinations in which no consideration is provided, such as government mergers and transfers of operations, and combinations in which consideration is provided, such as disposal of government operations. No combinations or disposals of operations have occurred during the current fiscal year. Therefore, the adoption of this statement had no financial impact on the State's net position or results of operations.

Effective for the year ending June 30, 2015, the State adopted GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*, which addresses an issue regarding the application of the transition provisions of GASB Statement No. 68. The statement clarifies the accounting for contributions to a defined benefit pension plan after the measurement date of a government's beginning net pension liability. The provisions of this statement were incorporated with the implementation of GASB Statement No. 68.

#### **T. Future Adoption of GASB Statements**

Effective for the year ending June 30, 2016, the State will adopt GASB Statement No. 72, *Fair Value Measurement and Application*, which was established to address accounting and financial reporting issues related to fair value measurements. The statement provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The State anticipates the implementation of this statement to result in increased disclosures regarding the fair value of certain assets and liabilities. The State has not yet determined the impact on its financial statements as a result of adopting this statement.

Effective for the year ending June 30, 2017, the State will adopt GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, which was established to address the accounting and reporting requirements for the financial reports of governments with pensions and pension plans not administered through trusts that meet the criteria in Statement No. 68. Additionally, the statement clarifies the application of certain provisions of Statement No. 67 and No. 68. The State has not yet determined the impact on its financial statements as a result of adopting this statement.

Effective for the year ending June 30, 2017, the State will adopt GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which establishes standards for the financial reports of defined benefit OPEB plans administered through trusts that meet specified criteria. The standard requires plans to present a statement of

fiduciary net position, as well as a statement of changes in net position. The standard also requires more extensive note disclosures and required supplementary information (“RSI”) related to significant assumptions and other inputs used in the measurement of OPEB liabilities for which assets have been accumulated and information about the annual money-weighted return on plan investments. The State has not yet determined the impact on its financial statements as a result of adopting this statement.

Effective for the year ending June 30, 2018, the State will adopt GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, expenses, and expenditures and identifies the note disclosure and RSI reporting requirements. The Standard requires the State to report a liability on the face of the financial statements for the OPEB it provides and identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. The State has not yet determined the impact on its financial statements as a result of adopting this statement.

Effective for the year ending June 30, 2016, the State will adopt GASB Statement No. 76, *the Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, the objective of which is to identify the hierarchy of generally accepted accounting principles (“GAAP”) in order for governments to more consistently apply the financial reporting guidance thus improving the usefulness of financial statement information. The GAAP hierarchy consists of the sources of accounting principles used to prepare the financial statements of the State in conformity with GAAP and the framework for selecting those principles. The Statement reduces the hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The State does not believe adoption of this statement will have a material impact on its financial statements.

Effective for the year ending June 30, 2017, the State will adopt GASB Statement No. 77, *Tax Abatements*, which requires governments that enter into tax abatement agreements to disclose specific information about the nature and magnitude of tax abatements to make these transactions more transparent to financial statement users. A tax abatement results from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues, and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. This statement will provide users of financial statements the ability to understand how tax abatements affect a government’s future ability to raise resources and meet its financial obligations and the impact those abatements have on a government’s financial position and economic condition. The State has not yet determined the impact on its financial statements as a result of adopting this statement.

## 2 FUND BALANCE / NET POSITION

### A. Classification of Fund Balances

Fund Balance classifications comprise a hierarchy based primarily on the extent to which the State is bound to observe constraints imposed upon the use of resources reported in governmental funds. The specific purposes of the governmental funds fund balances at June 30, 2015, are as follows:

Table 2-1 (amounts expressed in thousands)

	General Fund	Road Fund	State Construction Account	Other Nonmajor Funds	Total Governmental Funds
<b>Fund Balances Nonspendable:</b>					
Long-Term Portion of Loans and Notes Receivable	\$ 5,380	\$ -	\$ -	\$ -	\$ 5,380
Inventories	22,921	57,635	-	17,320	97,876
Endowments and Similar Funds	-	-	-	45,070	45,070
<b>Total Nonspendable</b>	<b>28,301</b>	<b>57,635</b>	<b>-</b>	<b>62,390</b>	<b>148,326</b>
<b>Restricted For:</b>					
Debt Service	-	-	-	2,348,224	2,348,224
Health and Social Services					
Vocational Rehabilitation Services	-	-	-	20,518	20,518
Other	27,042	-	-	117,750	144,792
Education	-	-	-	1,781	1,781
General Government					
Unclaimed Property	-	-	-	61,693	61,693
Rental Housing Support	-	-	-	41,782	41,782
Other	5	-	-	104,857	104,862
Employment and Economic Development	-	-	-	118,479	118,479
Transportation	45	-	-	2,880	2,925
Public Protection and Justice	18,477	-	-	49,330	67,807
Environment and Business Regulation					
Abandoned Mined Land Reclamation	-	-	-	35,021	35,021
Other	-	-	-	85,203	85,203
<b>Total Restricted</b>	<b>45,569</b>	<b>-</b>	<b>-</b>	<b>2,987,518</b>	<b>3,033,087</b>
<b>Committed For:</b>					
Capital Projects					
Transportation Construction/Maintenance	-	-	434,988	245,301	680,289
Other	-	-	-	65,242	65,242
Health and Social Services					
Healthcare/Pharmaceutical Provider Relief	832,047	-	-	-	832,047
Other	135,561	-	-	196,954	332,515
Education	-	-	-	77,848	77,848
General Government					
School Infrastructure	238,831	-	-	-	238,831
Affordable Housing	-	-	-	353,550	353,550
State Universities Pension	-	-	-	74,793	74,793
Real estate tax-relief loan program	-	-	-	46,831	46,831
Identification Security and Theft Prevention Measures	-	-	-	57,795	57,795
Other	63,138	-	-	150,965	214,103
Employment and Economic Development					
Low Income Energy Assistance	-	-	-	87,592	87,592
Tourism Promotion	-	-	-	33,408	33,408
Coal Technology Research and Development	-	-	-	10,225	10,225
Other	18,362	-	-	164,993	183,355
Transportation					
Downstate Public Transportation	-	-	-	142,409	142,409
Other	12,658	479,096	-	48,022	539,776
Public Protection and Justice	476	-	-	127,072	127,548
Environment and Business Regulation					
Clean Water Activities	-	-	-	22,309	22,309
Financial Regulation - Insurance Companies	-	-	-	30,824	30,824
Open Space Lands Acquisition and Development	-	-	-	54,523	54,523
Parks and Conservation Activities	-	-	-	17,179	17,179
Other	10,387	-	-	188,381	198,768
<b>Total Committed</b>	<b>1,311,460</b>	<b>479,096</b>	<b>434,988</b>	<b>2,196,216</b>	<b>4,421,760</b>
<b>Assigned For:</b>					
Health and Social Services	-	-	-	1,227	1,227
<b>Total Assigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,227</b>	<b>1,227</b>
<b>Unassigned</b>					
	<b>(8,238,260)</b>	<b>-</b>	<b>-</b>	<b>(1,374,629)</b>	<b>(9,612,889)</b>
	<b>\$ (6,852,930)</b>	<b>\$ 536,731</b>	<b>\$ 434,988</b>	<b>\$ 3,872,722</b>	<b>\$ (2,008,489)</b>

## B. Restatements

During the fiscal year, the State implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. The implementation required restatement of the prior year net position balance as reported within the June 30, 2014 Governmental Activities and Business-Type Activities financial statements, as well as the financial statements of various component units and universities due to the participation by the State and its component units in the respective retirement systems. The restatement includes the impact of recording the net pension liability as of June 30, 2013, the beginning of the year measurement date, as well as recording deferred outflows of resources associated with contributions made to the respective plans subsequent to the June 30, 2013 measurement date. The implementation also resulted in the reversal of the net pension obligation recorded in the Governmental Activities financial statements at June 30, 2014.

Additionally, the State reassessed the component unit classification of certain bonding authorities subsequent to a change in legislation eliminating certain bonding authorities' ability to issue conduit debt. The State no longer has a moral obligation for the debt if the respective authority does not have sufficient monies to pay principal and interest, and thus, the financial accountability criterion defining a component unit is no longer applicable. The Quad Cities Regional Economic Development Authority, the Western Illinois Economic Development Authority, the Southeastern Illinois Economic Development Authority and the Will-Kankakee Regional Development Authority will no longer be reported as component units of the State.

Finally, during the fiscal year, it was determined that capital assets were understated by \$111,909 million in prior years.

As a result of the above items, the financial statements have been restated as of July 1, 2014, as shown in Table 2-2:

Table 2-2 (amounts expressed in thousands)

	Business-Type Activities			
	Governmental Activities	Proprietary Funds		
		Water Revolving Fund	Nonmajor Enterprise Funds	Business-Type Activities
<b>Net Position, June 30, 2014, as previously reported</b>	\$ (49,170,172)	\$ 2,853,588	\$ 159,184	\$ 3,823,088
Implementation of GASB Statement No. 68	(72,153,006)	(48,029)	(190,940)	(238,969)
Understatement of capital assets	111,909	-	-	-
<b>Net Position, June 30, 2014, as restated</b>	<b>\$ (121,211,269)</b>	<b>\$ 2,805,559</b>	<b>\$ (31,756)</b>	<b>\$ 3,584,119</b>

Table 2-2 (continued)  
(amounts expressed in thousands)

	Component Units						
	Component Units						
	Other Authorities	Illinois State University	Northern Illinois University	Southern Illinois University	University of Illinois	Other Universities	Component Units
<b>Net Position, June 30, 2014, as previously reported</b>	\$ 180,322	\$ 660,221	\$ 385,829	\$ 1,044,664	\$ 6,331,004	\$ 1,027,369	\$ 12,870,137
Implementation of GASB Statement No. 68	(7,788)	630	946	2,794	34,200	1,798	32,580
Other adjustments of assets and liabilities	(437)	-	-	-	-	-	(437)
<b>Net Position, June 30, 2014, as restated</b>	<b>\$ 172,097</b>	<b>\$ 660,851</b>	<b>\$ 386,775</b>	<b>\$ 1,047,458</b>	<b>\$ 6,365,204</b>	<b>\$ 1,029,167</b>	<b>\$ 12,902,280</b>

### C. Net Position Restricted by Enabling Legislation

The government-wide statement of net position reports \$8.681 billion of restricted net position, of which \$4.616 billion is restricted by enabling legislation.

## 3 DEPOSITS AND INVESTMENTS

The State Treasurer is the custodian of the State's deposits and investments for most funds and maintains these deposits and investments in the State Treasury. The investment authority and guidelines for the Treasurer's published investment policy for the State Treasury is found in Section 22.8 of the Deposit of State Moneys Act (15 ILCS 520). The pooling of cash allows the Treasurer to invest monies not needed to pay immediate obligations so that investment earnings on available cash are maximized. Investments of the State Treasury are not segregated by fund; rather, each contributing fund's balance is treated as equity in the State Treasury. Accordingly, the State Treasury is not reported as a separate fund in this report. Instead, each State fund's and each component unit's balance in the State Treasury is presented as "Cash equity with State Treasurer." Investments held by the State Treasurer in the State Treasury at June 30, 2015, consisted of the following:

Table 3-1 (amounts expressed in thousands)

Investment Type	Fair Value
Repurchase agreements	\$ 389,107
U.S. Treasury obligations	2,897,541
U.S. Agency obligations	2,866,591
Supranational bonds	29,938
Commercial paper	3,063,396
Corporate debt securities	25,000
Money market mutual funds	1,251,029
Private equity	42,841
Equity in Public Treasurers' Investment Pool	1,047,919
Equity in other investment pools	134
Securities lending collateral invested in repurchase agreements	4,007,451
Total fair value	<b>\$ 15,620,947</b>

Funds maintained outside the State Treasury have independent statutory authority to manage their own deposits and investments. The investment authority of the Illinois State Board of Investment

("ISBI"), Teachers' Retirement System ("TRS"), and State Universities Retirement System ("SURS") is governed by the Illinois Pension Code (40 ILCS 5). Authorized investments consist of bonds, equities, real estate, venture capital, and other activities to be made with the care, skill, prudence, and diligence which a prudent person acting in a like capacity and familiar with such matters would use in the conduct of investing similar retirement trusts. ISBI, TRS, and SURS each have published investment policies incorporating these guidelines. Primary government investments held outside of the State Treasury at June 30, 2015, except for investments held by ISBI, TRS, and SURS, consisted of the following:

Investment Type	Fair Value
Repurchase agreements	\$ 7,166
Negotiable certificates of deposit	492
U.S. Treasury obligations	1,056,584
U.S. Agency obligations	82,206
Municipal debt	175,304
Annuities	1,048
Corporate debt securities	69,369
Debt mutual funds	2,431,364
Equity in Public Treasurers' Investment Pool	3,798,239
Equity in Illinois State Board of Investments	34,177
Equity in other investment pools	3,768
Government notes - non U.S.	2,217
Foreign equity security	153,259
Cash and pending trades	3,795
Money market mutual funds	973,392
Equity securities	240,863
Equity mutual funds	5,257,340
Blended mutual funds	2,530,822
Guaranteed investment contracts	465,806
Bond trust funds	100,873
Equity trust funds	381,602
Other	<u>491,375</u>
Total fair value	<u><u>\$ 18,261,061</u></u>

The ISBI is considered to be an internal investment pool of the State of Illinois, operating solely from investment income. The ISBI manages and invests the pension assets of three separate public employee retirement systems: General Assembly Retirement System, Judges' Retirement System of Illinois, and State Employees' Retirement System of Illinois. Additionally, ISBI reports one agency fund, the Illinois Power Agency Trust Fund. The ISBI's member systems retain all of the cash necessary for current operating expenditures in the State Treasury. The amount of cash received by the ISBI's member systems in excess of their current operating expenditures is transferred to the ISBI for purposes of long-term investment. The ISBI is not reported as a separate fund in this report. Instead, each member system's balance in the ISBI is presented as "Equity in the Illinois State Board of Investments." The member system's equity is approximately \$271 thousand more than the deposits and investments of the ISBI, due to net receivables of the ISBI.

Investments held by ISBI at June 30, 2015, consisted of the following:

<u>Investment Type</u>	<u>Fair Value</u>
U.S. Treasury obligations	\$ 450,343
U.S. Agency obligations	457,493
Corporate obligations	1,052,003
Common stock and equity funds	4,900,103
Foreign debt obligations	655,291
Foreign equity securities	2,228,389
Foreign preferred stock	178
Commingled funds	770,805
Hedge funds	1,576,250
Real estate	1,610,826
Private equity	667,081
Money market instruments	231,115
Infrastructure funds	532,718
Bank loans	697,837
Forward foreign currency contracts	980
Total Investments	<u>\$ 15,831,412</u>

## CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. Custodial credit risk for investments is the risk that, in the event of failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities in the possession of an outside party.

### *Deposits*

#### *Primary Government:*

In accordance with Section 6 of the Public Funds Investment Act (30 ILCS 235), uncollateralized and uninsured deposits may not exceed 75% of the capital stock and surplus of a bank, 75% of the net worth of a savings and loan association, or 50% of the unimpaired capital and surplus of a credit union.

The carrying amount and bank balance of cash deposits held by the State Treasury was \$130.580 million and \$125.692 million at June 30, 2015, respectively.

The carrying amount and bank balance of cash deposits held outside of the State Treasury, except for investments held by ISBI, TRS, and SURS, was \$153.974 million and \$160.462 million at June 30, 2015, respectively. Of the total bank balance of these cash deposits at June 30, 2015, \$3.105 million was uninsured with collateral held by the pledging financial institution in the State's name, \$9.468 million was uninsured with collateral held by the pledging financial institution but not in the State's name, and \$14.336 million was uncollateralized.

ISBI's policy outlines the control procedures used to monitor custodial credit risk for deposits. These deposits are under the custody of State Street Bank and Trust Company and Deutsche Bank AG, NY Branch. State Street Bank and Trust has an AA- Long-term Deposit/Debt rating by Standard and Poor's and an Aa2 rating by Moody's. Deutsche Bank AG has a BBB+ Long-term rating by Standard and Poor's and an A3 rating by Moody's. The carrying amount and bank balance of ISBI's cash deposits at June 30, 2015, were \$14.211 million and \$15.009 million, respectively.

TRS's foreign currency held by investment managers at June 30, 2015, totaled \$74.143 million, all of which was uninsured and uncollateralized.

SURS's cash held in its investment related bank account in excess of \$250,000 is uninsured and uncollateralized. SURS has a deposit policy for custodial credit risk which outlines due diligence and monitoring procedures. Deposits are under the custody of Northern Trust Company which has an AA- Long-term Deposit/Debt rating by Standard and Poor's and an A1 rating by Moody's. At June 30, 2015, the carrying amount was \$559.034 million and the bank balance was \$566.650 million, of which \$5.633 million was uninsured and uncollateralized.

## **CREDIT RISK**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

### *Primary Government:*

Section 2 of the Public Funds Investment Act limits the State's investments, both inside and outside the State Treasury, to securities of the U.S. government or its agencies, short-term obligations of domestic corporations exceeding \$500 million in assets that are rated in the three highest categories by at least two nationally recognized statistical ratings organizations not to exceed ten percent of the domestic corporations outstanding obligations, money market mutual funds invested in the U.S. government and/or its agencies, and repurchase agreements securities of the U.S. government or its agencies or money market mutual funds invested in the U.S. government or its agencies. Additional investments may be authorized in certain funds as exceptions to Section 2 of the Public Funds Investment Act pursuant to State statute prescribing the activities of a fund. The following table summarizes the Moody's credit quality ratings for debt securities held by the State Treasurer in the State Treasury at June 30, 2015:

Table 3-4 (amounts expressed in thousands)

Investment Type	Aaa	A1	P-1	Not Rated	Total
Repurchase agreements	\$ -	\$ -	\$ 389,107	\$ -	\$ 389,107
U.S. Agency obligations	1,753,337	-	1,113,254	-	2,866,591
Supranational Bonds	29,938	-	-	-	29,938
Commercial paper	-	-	3,063,396	-	3,063,396
Corporate debt securities	-	10,000	-	15,000	25,000
Money market mutual funds	1,251,029	-	-	-	1,251,029
Equity in Public Treasurers' Investment Pool	-	-	-	1,047,919 **	1,047,919
Equity in other investment pools	-	-	-	134	134
Securities lending collateral:					
Invested in repurchase agreements	-	-	-	4,007,451 *	4,007,451
<b>Total subject to credit risk</b>	<b>\$ 3,034,304</b>	<b>\$ 10,000</b>	<b>\$ 4,565,757</b>	<b>\$ 5,070,504</b>	<b>12,680,565</b>
U.S. Treasury obligations					2,897,541
<b>Total fixed income securities</b>					<b>\$ 15,578,106</b>

\* The breakdown of Moody's credit ratings of the collateral for securities lending collateral invested in repurchase agreements was as follows: 6.31% Aaa, 4.55% Aa, 7.00% A, 6.51% Baa, 2.41% Ba, 2.96% B, 4.72% Caa, 0.01% Ca, 0.03% C, 65.50% Not Rated.

\*\* *Equity in Public Treasurers' Investment Pool was rated AAA by Standard and Poor's.*

The following table summarizes the Moody's credit quality ratings for debt securities held by the primary government, except for debt securities held by ISBI, TRS, and SURS, outside of the State Treasury at June 30, 2015:

Table 3-5 (amounts expressed in thousands)

Investment Type	Aaa	Aa	A	Baa	Ba	B	Caa	Not Rated*	Withdrawn	Total
Negotiable certificates of deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 492	\$ -	\$ 492
U.S. Agency obligations	74,911	112	577	1,001	-	-	-	5,384	221	82,206
Municipal debt	24,538	104,118	30,616	-	6,206	-	-	9,640	186	175,304
Corporate debt securities	10,867	6,528	20,826	18,902	1,235	369	1,347	9,295	-	69,369
Government notes - non U.S.	-	126	414	178	-	-	-	1,499	-	2,217
Mutual funds	66	2	10	18	1	1	4	2,431,262	-	2,431,364
Equity in Public Treasurers' Investment Pool	-	-	-	-	-	-	-	3,798,239	-	3,798,239
Equity in other investment pools	-	-	-	-	-	-	-	3,768	-	3,768
Money market mutual funds	366,018	-	-	-	-	-	-	607,374	-	973,392
Bond trust funds	17,945	912	3,346	6,083	1,217	608	304	70,458	-	100,873
<b>Total subject to credit risk</b>	<b>\$ 494,345</b>	<b>\$ 111,798</b>	<b>\$ 55,789</b>	<b>\$ 26,182</b>	<b>\$ 8,659</b>	<b>\$ 978</b>	<b>\$ 1,655</b>	<b>\$ 6,937,411</b>	<b>\$ 407</b>	<b>7,637,224</b>
U.S. Treasury obligations										1,056,584
Repurchase agreements backed by U.S. Treasury obligations										7,166
<b>Total fixed income securities</b>										<b>\$ 8,700,974</b>

\* All of the *Equity in Public Treasurers' Investment Pool amounts were rated AAA by Standard and Poor's.*  
\$460,489 million of money market mutual funds were rated AAA by Standard and Poor's.

The portfolios of ISBI, TRS, and SURS are managed by professional investment management firms. Each investment manager must comply with risk management guidelines individually assigned to them as part of their Investment Management Agreement. With the exception of certain commingled funds, bonds below B- are not permissible in any of the fixed income investment manager guidelines. However, in circumstances where position downgrades occur, investment managers have been given permission to hold securities due to circumstances such as a higher peer group rating from another nationally recognized statistical rating organization, firm internal ratings, or other mitigating factors.

The following table summarizes the Moody's credit quality ratings for debt securities held by ISBI at June 30, 2015:

Table 3-6 (amounts expressed in thousands)

Quality Rating	Corporate Debt Obligations	Foreign Debt Obligations	U.S. Agency Obligations	Money Market Instruments	Total
Aaa	\$ 2,633	\$ 132,273	\$ 47,561	\$ -	\$ 182,467
Aa	22,487	188,030	9,518	-	220,035
A	80,751	96,371	-	-	177,122
Baa	218,991	135,286	-	-	354,277
Ba	283,287	2,567	-	-	285,854
B	383,300	-	-	-	383,300
Caa	6,437	-	-	-	6,437
Not rated	54,117	100,764	400,414	231,115	786,410
<b>Total subject to credit risk</b>	<b>\$ 1,052,003</b>	<b>\$ 655,291</b>	<b>\$ 457,493</b>	<b>\$ 231,115</b>	<b>\$ 2,395,902</b>

The following table summarizes the Moody's credit quality ratings for debt securities held by TRS at June 30, 2015:

Table 3-7 (amounts expressed in thousands)

Quality Rating	Corporate Debt Obligations	Foreign Debt Obligations	U.S. Agency Obligations	Municipal Obligations	Commungled Funds	Securities Lending	Total
Aaa	\$ 340,437	\$ 239,689	\$ 1,033,018	\$ 677	\$ -	\$ -	\$ 1,613,821
Aa	149,896	599,762	16,041	11,816	-	-	777,515
A	709,386	261,324	-	10,638	40,127	125,008	1,146,483
Baa	1,241,447	431,808	-	-	136,072	-	1,809,327
Ba	680,128	68,773	-	-	544,989	-	1,293,890
B	331,754	69,613	-	-	280,748	-	682,115
Caa	42,928	7,936	-	-	-	-	50,864
Ca	25,541	-	-	-	-	-	25,541
C	3,621	-	-	-	-	-	3,621
Not rated	76,057	14,847	3,106	-	735,131	-	829,141
<b>Total subject to credit risk</b>	<b>\$ 3,601,195</b>	<b>\$ 1,693,752</b>	<b>\$ 1,052,165</b>	<b>\$ 23,131</b>	<b>\$ 1,737,067</b>	<b>\$ 125,008</b>	<b>\$ 8,232,318</b>
U.S. Treasury obligations							589,855
Less securities lending							(125,008)
<b>Total fixed income securities</b>							<b>\$ 8,697,165</b>

The following table summarizes the Standard and Poor's credit quality ratings for debt securities held by SURS at June 30, 2015:

Table 3-8 (amounts expressed in thousands)

Quality Rating	Corporate Debt Securities	Foreign Debt Securities	U.S. Agency Obligations	Municipal Obligations	Total
AAA	\$ 146,704	\$ 30,574	\$ -	\$ 3,232	\$ 180,510
AA	100,139	49,000	746,174	14,829	910,142
A	336,062	20,589	11,395	2,007	370,053
BBB	396,723	68,538	-	1,265	466,526
BB	144,186	19,525	-	109	163,820
B	27,390	7,860	-	3,000	38,250
CCC	26,919	819	-	-	27,738
CC	1,396	-	-	132	1,528
D	4,501	-	-	-	4,501
Not rated	406,651	(134,660)	120,601	-	392,592
<b>Total subject to credit risk</b>	<b>\$ 1,590,671</b>	<b>\$ 62,245</b>	<b>\$ 878,170</b>	<b>\$ 24,574</b>	<b>2,555,660</b>
U.S. Treasury obligations					1,564,281
Less cash equivalents					(190,128)
<b>Total fixed income securities</b>					<b>\$ 3,929,813</b>

## INTEREST RATE RISK

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

*Primary Government:*

As a means of limiting its exposure to fair value losses arising from rising interest rates, the State Treasurer's investment policy for the State Treasury limits investments to maturities not to exceed five years with no limit to the amount allocated to investments with less than a two-year maturity. No more than 55% of the investment portfolio shall be allocated to investments with a 2 to 3 year maturity band. No more than 30% of the investment portfolio shall be allocated to investments with a 3 to 4 year maturity band (not including Foreign Government Securities). No more than 15% of the investment portfolio shall be allocated to investments with a 4 to 5 year maturity band. For funds held outside of the State Treasury, excluding pension (and other employee benefit) trust funds, there is no formal policy limiting investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

The following table summarizes the segmented time distribution of debt securities held by the State Treasurer in the State Treasury at June 30, 2015:

Table 3-9 (amounts expressed in thousands)

Investment Type	Fair Value	Less Than 1 Year	1 to 5 Years	6 to 10 Years
Repurchase agreements	\$ 389,107	\$ 389,107	\$ -	\$ -
U.S. Treasury obligations	2,897,541	2,796,805	100,736	-
U.S. Agency obligations	2,866,591	1,113,254	1,753,337	-
Supranational Bonds	29,938	-	29,938	-
Commercial paper	3,063,396	3,063,396	-	-
Corporate debt securities	25,000	15,000	10,000	-
Money market mutual funds	1,251,029	1,251,029	-	-
Equity in Public Treasurers' Investment Pool	1,047,919	1,047,919	-	-
Equity in other investment pools	134	-	64	70
Securities lending collateral:				
Invested in repurchase agreements	4,007,451	4,007,451	-	-
<b>Total fixed income investments</b>	<b>\$ 15,578,106</b>	<b>\$13,683,961</b>	<b>\$1,894,075</b>	<b>\$ 70</b>

The following table summarizes the Weighted Average Maturity ("WAM") for debt securities held by the primary government, except for debt securities held by ISBI, TRS, and SURS, outside of the State Treasury at June 30, 2015. The WAM expresses investment time horizons – the time when investments become due and payable – in years to reflect the dollar size of individual investments within an investment type. The portfolio's WAM is derived by dollar-weighting the WAM for each investment type.

Table 3-10 (amounts expressed in thousands)

Investment Type	Fair Value	Weighted Average Maturity (Years)
Repurchase agreements	\$ 7,166	0.003
Negotiable certificates of deposit	492	0.989
U.S. Treasury obligations	1,056,584	5.310
U.S. Agency obligations	82,206	11.585
Municipal debt	175,304	10.692
Corporate debt securities	69,369	10.780
Government notes - non U.S.	2,217	5.980
Mutual funds	2,431,364	3.960
Equity in Public Treasurers' Investment Pool	3,798,239	0.120
Equity in other investment pools	3,768	0.036
Money market mutual funds	973,392	0.108
Bond trust funds	100,873	7.845
<b>Total fixed income investments</b>	<b><u>\$8,700,974</u></b>	

*Pensions:*

ISBI manages its exposure to fair value losses arising from interest rate risk by diversifying the debt securities portfolio and maintaining the debt securities portfolio to an effective weighted average rate between 80 and 120 percent of the benchmark index.

Duration is a measure of a debt investment's exposure to fair value changes arising from changing interest rates. It uses the present value of cash flows, weighted for those cash flows as a percentage of the investment's fair value. The effective duration measures the sensitivity of market price to parallel shifts in the yield curve. ISBI benchmarks its debt security portfolio to Barclay's Capital Intermediate U.S. Government/Credit Bond Index. At June 30, 2015, the effective duration of the Barclay's Capital Intermediate U.S. Government/Credit Bond Index was 5.6 years. At the same point in time, the effective duration of the ISBI debt security portfolio was 5.7 years. The following table summarizes the effective duration of the debt securities held by ISBI at June 30, 2015:

Table 3-11 (amounts expressed in thousands)

Investment Type	Fair Value	Effective Weighted Duration (Years)
Government and agency obligations:		
U.S. Treasury obligations	\$ 450,343	7.7
U.S. Agency obligations	<u>457,493</u>	3.3
	\$ 907,836	
Corporate obligations:		
Bank and finance	203,038	5.5
Industrials	467,252	5.1
Other	<u>381,713</u>	5.4
	1,052,003	
Foreign obligations:		
Foreign debt obligations	<u>655,291</u>	6.3
Total subject to interest rate risk	<b><u>\$2,615,130</u></b>	

TRS manages its exposure to fair value loss arising from increasing interest rates by diversifying the debt securities portfolio. The following table summarizes the time segmented distribution of the debt securities held by TRS at June 30, 2015:

Table 3-12 (amounts expressed in thousands)

Investment Type	Fair Value	Less Than 1 Year	1 to 5 Years	6 to 10 Years	10 to 20 Years	More Than 20 Years	Other
U.S. Treasury obligations	\$ 589,855	\$ 29,659	\$ 289,367	\$ 71,274	\$ 6,258	\$ 193,297	\$ -
U.S. Agency obligations	1,052,165	57,176	238,306	270,103	249,691	236,889	-
Municipal obligations	23,131	147	-	-	5,851	17,133	-
Corporate debt securities	3,601,195	389,414	1,279,379	1,221,920	216,737	493,745	-
Foreign debt securities	1,693,752	290,099	559,745	533,657	136,625	173,626	-
Commingled funds	1,737,067	83,373	297,305	637,452	-	-	718,937 *
Securities lending collateral	125,008	125,008	-	-	-	-	-
Derivatives	937	(3,987)	446	(190)	2,986	1,682	-
Total subject to interest rate risk	8,823,110	\$ 970,889	\$ 2,664,548	\$ 2,734,216	\$ 618,148	\$ 1,116,372	\$ 718,937
Less derivatives	(937)						
Less securities lending	(125,008)						
<b>Total fixed income securities</b>	<b>\$ 8,697,165</b>						

\* Maturity date is not available or applicable.

SURS manages its exposure to fair value loss arising from increasing interest rates by diversifying the debt securities portfolio. SURS has not adopted a formal policy specific to interest rate risk. The following table summarizes the time segmented distribution of the debt securities held by SURS at June 30, 2015:

Table 3-13 (amounts expressed in thousands)

Investment Type	Fair Value	Less Than 1 Year	1 to 5 Years	6 to 10 Years	10 to 20 Years	More Than 20 Years	Other
U.S. Treasury and Agency obligations	\$ 2,442,451	\$ 337,247	\$ 473,773	\$ 669,459	\$ 292,104	\$ 669,868	\$ -
Municipal obligations	24,574	1,068	1,960	1,292	6,062	14,192	-
Corporate debt securities	1,590,671	130,732	429,740	426,941	98,818	334,012	170,428
Foreign debt securities	62,245	54,969	48,082	59,348	24,713	45,561	(170,428)
Derivatives - swaps	1,291	(1,056)	(2,003)	30	2,067	2,253	-
Total subject to interest rate risk	4,121,232	\$ 522,960	\$ 951,552	\$ 1,157,070	\$ 423,764	\$ 1,065,886	\$ -
Less derivatives - swaps	(1,291)						
Less cash equivalents	(190,128)						
<b>Total fixed income securities</b>	<b>\$ 3,929,813</b>						

## FOREIGN CURRENCY RISK

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of a deposit or an investment.

### Primary Government:

Only assets held by the State Treasurer and assets held outside the State Treasury by the Prepaid Tuition Fund, a major enterprise fund, and foreign offices are allowed to be used to purchase investments in foreign securities. The State Treasurer is limited by the Deposit of State Moneys Act to investments in debt instruments issued by foreign governments, except the Republic of Sudan, that are guaranteed by the full faith and credit of the foreign government in which the foreign government has not defaulted or been late in payment on similar debt instruments at the time the Treasurer purchases the debt instrument. The Prepaid Tuition Fund's investment policy establishes targets for long-term and interim asset allocations and rebalancing ranges. As of June 30, 2015, the long-term and interim targets for international equities were 20% and 18%, respectively, with a rebalancing range of 15% to 21% for the lower and upper limits.

The following table summarizes the foreign currency risk, by currency denomination, of the primary government, except for debt securities held by ISBI, TRS, and SURS, outside of the State Treasury at June 30, 2015:

Currency Denomination	Foreign Short-term Deposits	Foreign Debt Securities	Foreign Equity Securities	Foreign Currency and Pending Currency Transactions
Australian Dollar	\$ -	\$ -	\$ 7,697	\$ (413)
British Pound Sterling	-	-	32,738	560
Canadian Dollar	55	126	2,618	7
Danish Krone	-	-	1,804	-
Euro	67	-	41,164	25
Hong Kong Dollar	29	-	12,661	27
Japanese Yen	6	-	16,003	(91)
Malaysian Ringgit	-	-	3,624	-
New Israeli Shekel	-	1,499	1,372	48
Norwegian Krone	-	-	2,879	-
Singapore Dollar	-	-	4,252	-
Swedish Krona	-	-	8,170	-
Swiss Franc	-	-	15,894	65
Other currencies	56	885	2,383	(97)
Total deposits and investments subject to foreign currency risk	<u>\$ 213</u>	<u>\$ 2,510</u>	<u>\$ 153,259</u>	<u>\$ 131</u>

*Pensions:*

The ISBI, TRS, and SURS do not have formal foreign currency risk policies. ISBI's international portfolio is constructed on the principles of diversification, quality growth and value. Risk of loss arises from changes in currency exchange rates. International managers may also engage in transactions to hedge currency at their discretion.

TRS's foreign currency risk exposure is primarily derived from its holdings in foreign currency-denominated equity, fixed income and derivative investments, as well as foreign currency. TRS's international equity and global fixed income managers, at their discretion, may or may not hedge the portfolio's foreign currency exposures with currency forward contracts or options, depending upon their views on a specific country or foreign currency relative to the U.S. dollar.

International investment management firms must maintain diversified portfolios for SURS. SURS's exposure to foreign currency risk derives from its positions in foreign currency and foreign currency-denominated equity and fixed income investments.

The following table summarizes the foreign currency risk by currency denomination for deposits and investments held by ISBI as of June 30, 2015:

Table 3-15 (amounts expressed in thousands)

Currency Denomination	Foreign Equity Securities and Foreign Preferred Stock	Foreign Debt Obligations	Foreign FX Forwards	Foreign Rights	Foreign Warrants
Australian Dollar	\$ 101,072	\$ 26,525	\$ 2	\$ -	\$ -
Brazilian Real	19,506	22,032	254	-	-
British Pound Sterling	407,189	61,149	(8)	-	-
Canadian Dollar	116,709	26,780	(22)	-	-
Danish Krone	56,480	4,766	(1)	-	-
Euro	614,538	132,801	(7)	28	301
Hong Kong Dollar	147,172	2,587	-	-	-
Japanese Yen	315,282	71,139	322	-	-
Mexican Peso	7,344	48,064	(48)	-	-
New Russian Ruble	-	28,748	(403)	-	-
Singapore Dollar	26,659	5,534	15	-	-
South African Rand	19,046	25,093	136	-	-
South Korean Won	73,721	24,800	90	6	-
Swedish Krona	40,013	5,823	(69)	-	-
Swiss Franc	241,988	13,800	16	-	-
Turkish Lira	102	30,122	174	-	-
Other currencies	41,746	125,530	529	-	-
Total investments subject to foreign currency risk	<u>\$ 2,228,567</u>	<u>\$ 655,293</u>	<u>\$ 980</u>	<u>\$ 34</u>	<u>\$ 301</u>

In addition, certain investments held in infrastructure funds trade in a reported currency of Euro based dollars valued at \$52.895 million at June 30, 2015.

The following table summarizes the foreign currency risk by currency denomination for deposits and investments held by TRS as of June 30, 2015:

Table 3-16 (amounts expressed in thousands)

Currency Denomination	Foreign Currency	Foreign Equity Securities	Foreign Debt Obligations	Foreign Derivative Obligations	Total
Australian Dollar	\$ 5,622	\$ 252,259	\$ 37,424	\$ 95	\$ 295,400
Brazilian Real	1,836	116,766	90,062	(1,161)	207,503
British Pound Sterling	9,857	1,430,010	334,412	202	1,774,481
Canadian Dollar	1,854	468,037	35,849	-	505,740
Danish Krone	34	130,338	14,348	-	144,720
Euro	15,053	1,766,372	500,865	2,287	2,284,577
Hong Kong Dollar	3,760	636,568	-	-	640,328
Indian Rupee	271	141,778	22,706	-	164,755
Japanese Yen	11,281	1,339,182	46,123	526	1,397,112
Mexican Peso	5,800	63,834	173,835	(556)	242,913
New Taiwan Dollar	1,364	205,152	-	-	206,516
Singapore Dollar	614	193,381	12,938	-	206,933
South African Rand	1,677	161,803	3,644	-	167,124
South Korean Won	3,439	293,792	79,538	(27)	376,742
Swedish Krona	210	164,314	11,039	-	175,563
Swiss Franc	8	611,358	-	-	611,366
Other currencies	11,463	424,514	330,969	240	767,186
Total deposits and investments subject to foreign currency risk	<u>\$ 74,143</u>	<u>\$ 8,399,458</u>	<u>\$ 1,693,752</u>	<u>\$ 1,606</u>	<u>\$ 10,168,959</u>

In addition, TRS has foreign currency investments in private equity with fair values totaling \$310.399 million (payable in Euros), \$13.352 million (payable in Canadian dollars), \$33.381 million (payable in Japanese Yen), and \$87.488 million (payable in South Korean Won), and real estate with fair values totaling \$62.000 million (payable in Euros) and \$1.947 million (payable in British Pound Sterling).

The following table summarizes the foreign currency risk by currency denomination for deposits and investments held by SURS as of June 30, 2015:

Table 3-17 (amounts expressed in thousands)

Currency Denomination	Foreign Equity Securities	Foreign Debt Obligations	Foreign Currency and Pending Transactions	Net Foreign Forward Contracts	Other Foreign Derivative Obligations	Total
Australian Dollar	\$ 74,995	\$ 1,590	\$ (5,649)	\$ -	\$ -	\$ 70,936
British Pound Sterling	320,953	27,336	(21,154)	(479)	(140)	326,516
Canadian Dollar	75,654	3,215	(3,838)	(1)	-	75,030
Danish Krone	42,408	12,560	(12,810)	-	-	42,158
Euro	516,197	115,957	(129,784)	(426)	20,081	522,025
Hong Kong Dollar	122,895	-	100	-	-	122,995
Japanese Yen	318,229	9,313	(13,089)	(476)	(16,127)	297,850
New Taiwan Dollar	28,552	-	-	-	-	28,552
Norwegian Krone	22,628	-	1	-	-	22,629
Singapore Dollar	37,649	-	(2,221)	-	-	35,428
South African Rand	26,634	-	-	-	-	26,634
Swedish Krona	50,812	-	33	-	-	50,845
Swiss Franc	104,615	419	(639)	-	-	104,395
Other currencies	67,487	32,034	(28,609)	(65)	(1,046)	69,801
Total investments subject to foreign currency risk	<u>\$ 1,809,708</u>	<u>\$ 202,424</u>	<u>\$ (217,659)</u>	<u>\$ (1,447)</u>	<u>\$ 2,768</u>	<u>\$ 1,795,794</u>

## COMPONENT UNITS

The risk disclosures associated with the State's major component unit's deposits and investments are as follows:

### ILLINOIS HOUSING DEVELOPMENT AUTHORITY ("IHDA")

#### Investments

Table 3-18 (amounts expressed in thousands)

Investment Type	Rating Standard & Poor's/Moody's	Fair Value	Less Than 1 Year	1 to 5 Years	6 to 10 Years	More Than 10 Years
U.S. Agency obligations	AA+/Aaa	\$ 396,283	\$ 135,070	\$ 29,890	\$ -	\$ 231,323
Money market fund - sweep account	- /Aaa	233,151	233,151	-	-	-
Repurchase agreements backed by U.S. Agency obligations	AA+/Aaa	56,099	55,999	100	-	-
Total subject to credit risk		<u>685,533</u>	<u>424,220</u>	<u>29,990</u>	<u>-</u>	<u>231,323</u>
U.S. Treasury obligations		14,032	890	5,163	6,702	1,277
Repurchase agreements backed by U.S. Treasury obligations		853	758	-	-	95
Total subject to interest rate risk		<u>\$ 700,418</u>	<u>\$ 425,868</u>	<u>\$ 35,153</u>	<u>\$ 6,702</u>	<u>\$ 232,695</u>

**Interest Rate Risk:** IHDA's investment policy does not limit the maturity of investments as a means of managing its exposure to fair value losses arising from an increasing rate environment.

**Credit Risk:** IHDA is limited to investments as described in the State Statutes.

**Concentration of Credit Risk:** IHDA places no limit on the amount that may be invested in any one issuer. More than 5 percent of IHDA's investments are in Federal Home Loan Bank (\$79.045 million), Federal National Mortgage Association (\$94.429 million), and Federal Home Loan Mortgage Corporation (\$40.173 million).

## ILLINOIS STATE TOLL HIGHWAY AUTHORITY (“THA”)

### Investments

Table 3-19 (amounts expressed in thousands)

Investment Type	Rating Standard & Poors/Moody's	Fair Value	Less Than 1 Year	1 to 5 Years
U.S. Agency obligations	AA/Aaa	\$225,800	\$ 55,800	\$170,000
Money market mutual funds	AAA/Aaa	751,722	751,722	-
Total subject to credit risk and interest rate risk		977,522	\$807,522	\$170,000
Less cash equivalents		(751,722)		
Total investments		<u><u>\$225,800</u></u>		

**Interest Rate Risk:** As a means of limiting its exposure to fair value losses from rising interest rates, THA’s investment policy requires the majority of THA investments to be less than one year maturity with no investment exceeding a ten-year maturity.

**Credit Risk:** THA is limited to investments as described in the State Statutes.

## ILLINOIS STATE UNIVERSITY (“ISU”)

### Investments

Table 3-20 (amounts expressed in thousands)

Investment Type	Rating Moody's/ Standard & Poor's	Fair Value	Less Than 1 Year	1 to 6 Years
U.S. Agency obligations	Aaa/AA	\$142,427	\$ 10,584	\$131,843
Illinois Public Treasurers' Investment Pool	Not Rated/AAA	18,448	18,448	-
Money market mutual funds	Aaa/AAA	6,982	6,982	-
Total subject to credit risk		167,857	36,014	131,843
U.S. Treasury obligations		72,571	27,368	45,203
Total subject to interest rate risk		240,428	\$ 63,382	\$177,046
Less cash equivalents		(25,430)		
Total investments of the University		214,998		
Investments of component units		113,914		
Total investments		<u><u>\$328,912</u></u>		

**Interest Rate Risk:** ISU’s investment policy does not limit the maturity of investments as a means of managing its exposure to fair value losses arising from an increasing rate environment.

**Credit Risk:** ISU is limited to investments as described in the State Statutes.

**Concentration of Credit Risk:** ISU places no limit on the amount that may be invested in any one issuer. More than 5 percent of ISU’s investments are in Federal Farm Credit Bank (\$32.658 million) and Federal Home Loan Bank (\$109.769 million).

## NORTHERN ILLINOIS UNIVERSITY (“NIU”)

### Investments

Table 3-21 (amounts expressed in thousands)

Investment Type	Rating Standard & Poor's	Fair Value	Less Than 1 Year	1 to 5 Years
U.S. Agency obligations	AA	\$ 93,422	\$ 6,500	\$ 86,922
Money market mutual funds	AAA	10,193	10,193	-
Illinois Public Treasurers' Investment Pool	AAA	43,198	43,198	-
Total subject to credit risk		146,813	59,891	86,922
U.S. Treasury obligations		30,030	27,023	3,007
Total subject to interest rate risk		176,843	\$ 86,914	\$ 89,929
Less cash equivalents		(10,193)		
Total investments of the University		166,650		
Investments of component units		94,472		
Total investments		<u>\$ 261,122</u>		

**Interest Rate Risk:** NIU does not have a formal policy for interest rate risk.

**Credit Risk:** NIU is limited to investments as described in the State Statutes.

**Concentration of Credit Risk:** More than 5 percent of NIU's investments are in Federal Farm Credit Bank (\$31.380 million), Federal Home Loan Bank (\$16.245 million), Federal Home Loan Mortgage Corporation (\$15.951 million), and Federal National Mortgage Association (\$29.846 million).

## SOUTHERN ILLINOIS UNIVERSITY (“SIU”)

### Investments

Table 3-22 (amounts expressed in thousands)

Investment Type	Rating Standard and Poor's	Fair Value	Less Than 1 Year	1 to 5 Years	6 to 10 Years
U.S. Agency obligations	AA	\$ 64,977	\$ 6,825	\$ 34,938	\$ 23,214
Commercial paper	A-1	14,994	14,994	-	-
Equity in Public Treasurers' Investment Pool	AAA	130,665	130,665	-	-
Total subject to credit risk		210,636	152,484	34,938	23,214
U.S. Treasury obligations		56,299	15,619	22,521	18,159
Total subject to interest rate risk		266,935	\$ 168,103	\$ 57,459	\$ 41,373
Common stock		44			
Less cash equivalents		(130,665)			
Total investments of the University		136,314			
Investments of component units		216,850			
Total investments		<u>\$ 353,164</u>			

**Interest Rate Risk:** Interest rate risk is mitigated by maintaining significant balances in cash equivalents and other short maturity investments and by establishing an asset allocation policy that is consistent with the expected cash flows of the University. Revenue Bond System funds are managed in accordance with covenants provided from the University's debt issuance activities.

**Credit Risk:** Credit risk is mitigated by limiting investments to those specified in the *Illinois Public Funds Investment Act*; pre-qualifying the financial institutions which are utilized; and diversifying the investment portfolio so that the failure of any one issue or backer will not place an undue financial burden on SIU.

## UNIVERSITY OF ILLINOIS (“U of I”)

### Deposits

**Custodial Credit Risk:** The carrying amount and bank balance of the U of I’s deposits totaled \$193.102 million and \$210.192 million, respectively. The total bank balance of these deposits at June 30, 2015, was covered by federal depository insurance or by collateral held by an agent in the University’s name.

### Investments

**Interest Rate Risk:** The U of I employs multiple investment managers, each of which has specific maturity assignments related to the operating funds. The funds are structured with different layers of liquidity. Funds expected to be used within one year are invested using the Barclay’s Capital 90-day and Bank of America Merrill Lynch 12-month Treasury Bill Index as performance benchmarks. Core operating funds are invested in longer maturity investments. Core operating funds investment manager’s performance benchmarks are the Barclay’s Capital 1-3 year Government Bond Index, the Barclay’s Capital 1-3 year Government Credit Bond Index and the Barclay’s Capital Intermediate Aggregate Bond Index. The U of I’s investments and maturities at June 30, 2015, are illustrated below:

Table 3-23 (amounts expressed in thousands)

Investment Type	Fair Value	Less Than 1 Year	1 to 5 Years	6 to 10 Years	More Than 10 Years
U.S. Treasury obligations	\$ 277,064	\$ 55,668	\$ 189,710	\$ 27,360	\$ 4,326
U.S. Agency obligations	278,374	83,135	43,778	21,117	130,344
Commercial paper	67,081	67,081	-	-	-
Corporate bonds	677,155	285,524	357,347	34,167	117
Bond mutual funds	124,622	-	831	123,791	-
Money market mutual funds	432,642	432,642	-	-	-
Illinois Public Treasurers' Investment Pool	33,126	33,126	-	-	-
Non government mortgage-backed securities	101,775	497	-	-	101,278
Other asset-backed securities	262,414	855	243,496	13,465	4,598
Government bonds - non U.S.	19,855	6,893	12,510	452	-
Municipal bonds	28,647	9,344	18,193	-	1,110
Repurchase agreements	108	108	-	-	-
Total subject to interest rate risk	2,302,863	\$ 974,873	\$ 865,865	\$ 220,352	\$ 241,773
U.S. equities	64,788				
U.S. equity mutual funds	297,425				
U.S. debt and equity mutual funds	61,536				
Limited partnerships	26,347				
Real estate	111,784				
Deposits with maturities greater than 90 days at time of purchase	200				
Less cash equivalents	(475,470)				
Total investments of the University	2,389,473				
Investments of component units	1,796,468				
Total investments	<u>\$ 4,185,941</u>				

At June 30, 2015, the U of I's operating funds pool portfolio had an effective duration of 1.4 years.

**Credit Risk:** The U of I's policy requires that short-term operating funds be invested in fixed income securities and short-term instruments (e.g., money markets, certificates of deposit). Fixed income securities shall be rated investment grade or better by one or more nationally recognized statistical rating organizations. Securities not covered by the investment grade standard are allowed if, in the manager's judgment, those instruments are of comparable credit quality. Securities that fall below the stated minimum credit requirements subsequent to initial purchase may be held at the manager's discretion.

At June 30, 2015, the U of I debt securities and quality ratings are as shown in the charts below:

Table 3-24 (amounts expressed in thousands)

Investment Type	Fair Value	Standard and Poor's					Less Than BB or Not Rated
		AAA	AA	A	BBB	BB	
U.S. Agency obligations	\$ 278,374	\$ 10,665	\$ 267,709	\$ -	\$ -	\$ -	\$ -
Commercial paper	67,081	-	10,092	56,989	-	-	-
Corporate bonds	677,155	10,095	89,341	371,276	202,095	477	3,871
Bond mutual funds	124,622	84,312	8,215	12,364	10,800	772	8,159
Money market mutual funds	432,642	398,007	34,635	-	-	-	-
Illinois Public Treasurers' Investment Pool	33,126	33,126	-	-	-	-	-
Non government mortgage-backed securities	101,775	74,283	19,071	6,200	1,976	-	245
Other asset-backed securities	262,414	261,159	770	8	-	-	477
Government bonds - non U.S.	19,855	12,785	1,001	4,622	1,447	-	-
Municipal bonds	28,647	8,632	14,410	5,605	-	-	-
Repurchase agreements	108	-	-	-	-	-	108
Total subject to credit risk	2,025,799	\$ 893,064	\$ 445,244	\$ 457,064	\$ 216,318	\$ 1,249	\$ 12,860
U.S. Treasury obligations	277,064						
Total fixed income securities	<u>\$ 2,302,863</u>						

## SECURITIES LENDING TRANSACTIONS

The investment policies of certain State agencies and component units, principally the State Treasurer, ISBI, TRS, and SURS, permit them to enter into securities lending transactions. In these transactions, the agency loans their securities to broker-dealers and other entities for collateral with a simultaneous agreement to return the collateral for the same securities in the future. The agencies' securities custodians are agents in lending the securities for collateral of at least 100% of the fair value of the securities. Collateral can consist of cash, cash equivalents, government securities, commercial paper or irrevocable letters of credit. Depending on their nature, securities on loan at year-end are presented as classified or unclassified in the preceding schedule of custodial credit risk. Generally, at year-end, agencies had no credit risk exposure to borrowers because the amounts they owed to borrowers exceeded the amounts borrowers owed the agencies. Policies regarding indemnification vary among agencies. Some agencies' contracts with custodians require them to indemnify the agency if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or the borrowers fail to pay the agency for income distributions by the securities' issuers while the securities are out on loan. Other agencies have no provisions for indemnification.

Generally, securities loans can be terminated on demand by either the agency or the borrower, although the average term of the loans is approximately 1 to 33 days. Cash collateral is generally invested in the lending agents' short-term investment pools, which at year-end had weighted average maturities of approximately 26 to 50 days. The relationship between the maturities of the investment pools and the agencies' loans is affected by the maturities of the securities loans made

by other entities that use the agents' pools, which the agencies cannot determine. The agencies cannot pledge or sell collateral securities received unless the borrower defaults.

The following table summarizes the fair value and related collateral value of outstanding loaned investment securities as of June 30, 2015.

Table 3-25 (amounts expressed in thousands)

<b>State Agency/Component Unit</b>	<b>Fair Value</b>	<b>Collateral Value</b>
State Treasurer	\$ 4,007,451	\$ 3,980,606
Illinois State Board of Investments	107,922	110,826
Teachers' Retirement System	2,896,736	2,990,364
State Universities Retirement System	732,000	752,400

## 4 TAXES RECEIVABLE

Taxes receivable for the primary government at June 30, 2015, are as follows:

Table 4-1 (amounts expressed in thousands)

	Governmental Activities			Business-type Activities		
	General Fund	Nonmajor Funds	Total	Unemployment Compensation Trust Fund		Fiduciary Funds
Income tax	\$ 1,060,208	\$ 251,533	\$ 1,311,741	\$ -	-	\$ -
Less allowance	(441,137)	(77,479)	(518,616)	-	-	-
Net income tax	619,071	174,054	793,125	-	-	-
Sales tax	666,695	220,790	887,485	-	-	-
Less allowance	(242,697)	(75,728)	(318,425)	-	-	-
Net sales tax	423,998	145,062	569,060	-	-	-
Motor fuel tax	-	141,882	141,882	-	-	-
Less allowance	-	(10,709)	(10,709)	-	-	-
Net motor fuel tax	-	131,173	131,173	-	-	-
Public utility tax	35,622	16,130	51,752	-	-	-
Less allowance	(8,007)	(423)	(8,430)	-	-	-
Net public utility tax	27,615	15,707	43,322	-	-	-
Riverboat tax	-	1,648	1,648	-	-	-
Less allowance	-	-	-	-	-	-
Net riverboat tax	-	1,648	1,648	-	-	-
Medical providers assessment tax	32,718	-	32,718	-	-	-
Less allowance	(1,458)	-	(1,458)	-	-	-
Net medical providers assessment tax	31,260	-	31,260	-	-	-
Other tax	387,689	58,253	445,942	-	-	-
Less allowance	(15,743)	(1,334)	(17,077)	-	-	-
Net other tax	371,946	56,919	428,865	-	-	-
Unemployment compensation tax	-	-	-	926,791	-	-
Less allowance	-	-	-	(345,000)	-	-
Net unemployment compensation tax	-	-	-	581,791	-	-
Taxes assessed by other governments	-	-	-	-	233,788	-
<b>Total taxes receivable, net</b>	<b>\$ 1,473,890</b>	<b>\$ 524,563</b>	<b>\$ 1,998,453</b>	<b>\$ 581,791</b>	<b>\$ 233,788</b>	

## 5 INTERFUND BALANCES AND ACTIVITY

Interfund due to and due from balances at June 30, 2015, consisted of the following:

Table 5-1 (amounts expressed in thousands)

Due From	Due To										Total
	General Fund	Road Fund	Nonmajor Governmental Funds	Unemployment Compensation Trust Fund	Water Revolving Fund	Prepaid Tuition Fund	Nonmajor Enterprise Funds	Internal Service Funds	Fiduciary Funds		
General Fund	\$ -	\$ 1,057	\$ 87,428	\$ -	\$ 87	\$ -	\$ 60,278	\$ 15,592	\$ -	\$ 164,442	
Road Fund	-	-	57,400	-	-	-	-	-	-	-	57,400
State Construction Account	-	2,724	37,882	-	-	-	-	-	-	-	40,606
Nonmajor Governmental Funds	968,106	3,311	217,813	1,321	-	-	8	200	-	1,190,759	
Unemployment Compensation Trust Fund	6,179	-	20	-	-	-	-	-	5	6,204	
Nonmajor Enterprise Funds	-	-	10	-	-	204	6,965	105	217	7,501	
Internal Service Funds	2,041,012	215,715	41,963	-	130	-	1,397	34,288	3,903	2,338,408	
Fiduciary Funds	686,278	-	34,684	-	-	-	-	269	186	721,417	
<b>Total</b>	<b>\$ 3,701,575</b>	<b>\$ 222,807</b>	<b>\$ 477,200</b>	<b>\$ 1,321</b>	<b>\$ 217</b>	<b>\$ 204</b>	<b>\$ 68,648</b>	<b>\$ 50,454</b>	<b>\$ 4,311</b>	<b>\$ 4,526,737</b>	

Interfund due to and due from balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Because of resource constraints in the current fiscal year, the payment time of transactions from the General Revenue Account of the General Fund was significantly slower than in previous fiscal years.

Interfund transfers activity at June 30, 2015, consisted of the following:

Table 5-2 (amounts expressed in thousands)

Transfers-In	Transfers-Out							Total
	General Fund	Road Fund	State Construction Account	Nonmajor Governmental Funds	Unemployment Compensation Trust Fund	Nonmajor Enterprise Funds	Total	
General Fund	\$ -	\$ 250,000	\$ 50,000	\$ 1,806,760	\$ -	\$ 749,541	\$ 2,856,301	
Road Fund	-	-	-	3,673	-	-	3,673	
State Construction Account	-	-	-	2,157	-	-	2,157	
Nonmajor Governmental Funds	3,035,208	353,718	-	901,902	24,372	5,409	4,320,609	
Nonmajor Enterprise Funds	-	-	-	-	-	30,606	30,606	
<b>Total</b>	<b>\$ 3,035,208</b>	<b>\$ 603,718</b>	<b>\$ 50,000</b>	<b>\$ 2,714,492</b>	<b>\$ 24,372</b>	<b>\$ 785,556</b>	<b>\$ 7,213,346</b>	

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts to debt service funds as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

## INTERENTITY

The due from amounts for the State of Illinois from its component units, as of June 30, 2015, consisted of the following:

Due To	Due From								Total
	Illinois Housing Development Authority	Illinois State Toll Highway Authority	Nonmajor Authorities	Northern Illinois University	Southern Illinois University	University of Illinois	Nonmajor Universities		
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,176	\$ -	\$ 13,176	
Road Fund	-	81,374	-	-	-	-	-	-	81,374
Nonmajor Governmental Funds	348,224	174	6	1	20	470	5	348,900	
Unemployment Compensation Trust Fund	-	-	-	6	-	129	58	193	
Water Revolving Fund	-	-	6,398	-	-	-	-	-	6,398
Nonmajor Enterprise Funds	-	-	3	-	-	18	-	-	21
Internal Service Funds	464	1,982	-	1,040	-	12,882	-	-	16,368
Fiduciary Funds	-	-	-	-	-	2,799	259	3,058	
<b>Total</b>	<b>\$ 348,688</b>	<b>\$ 83,530</b>	<b>* \$ 6,407</b>	<b>\$ 1,047</b>	<b>\$ 20</b>	<b>\$ 29,474</b>	<b>\$ 322</b>	<b>\$ 469,488</b>	

\* The Illinois State Toll Highway Authority reported \$79,246 at December 31, 2014, its fiscal year-end.

The due to amounts for the State of Illinois to its component units, as of June 30, 2015, consisted of the following:

Due From	Due To									Total
	Illinois Housing Development Authority	Illinois State Toll Highway Authority	Nonmajor Authorities	Illinois State University	Northern Illinois University	Southern Illinois University	University of Illinois	Nonmajor Universities		
General Fund	\$ -	\$ 14	\$ 1,619	\$ 14,126	\$ 16,025	\$ 43,812	\$ 182,229	\$ 28,872	\$ 286,697	
Road Fund	-	155,199	-	-	32	131	3,670	-	159,032	
State Construction Account	-	-	-	-	-	-	1,208	-	1,208	
Nonmajor Governmental Funds	2,604	10	1,585	767	1,155	5,778	24,173	3,238	39,310	
Water Revolving Fund	-	-	53,872	-	-	87	47	-	54,006	
Nonmajor Enterprise Funds	-	1	-	-	-	-	-	-	1	
Internal Service Funds	-	73	-	-	-	8	195	-	276	
Fiduciary Funds	-	38	-	-	-	-	-	-	38	
<b>Total</b>	<b>\$ 2,604</b>	<b>\$ 155,335</b>	<b>* \$ 57,076</b>	<b>\$ 14,893</b>	<b>\$ 17,212</b>	<b>\$ 49,816</b>	<b>\$ 211,522</b>	<b>\$ 32,110</b>	<b>\$ 540,568</b>	

\* The Illinois State Toll Highway Authority reported \$155,199 at December 31, 2014, its fiscal year-end.

Transactions between the State of Illinois and its component units consist mostly of appropriations for general administrative expenses and capital projects. In addition, most of the State's universities receive pass-through and other grants from the State.

## 6 LOANS AND NOTES RECEIVABLE

Loans and notes receivable at June 30, 2015, consisted of the following:

Table 6-1 (amounts expressed in thousands)

	Primary Government								Business-type Activities		
	Governmental Activities				Water Revolving Fund						
	General Fund	Road Fund	Nonmajor Governmental Funds	Total		Prepaid Tuition Fund	Nonmajor Enterprise Funds	Total	Fiduciary Funds		
Student loan program	\$ 35,461	\$ -	\$ 1,447	\$ 36,908	\$ -	\$ -	\$ 540,471	\$ 540,471	\$ 100		
Deferred compensation loan program	-	-	-	-	-	-	-	-	-	34,280	
Local government infrastructure	-	-	-	-	2,711,341	-	-	2,711,341	-	-	
Port district construction	14,968	-	-	14,968	-	-	-	-	-	-	
Real estate tax-relief loan program	-	-	42,550	42,550	-	-	-	-	-	-	
Other	379	144	21,412	21,935	-	750	-	750	-	-	
	<u>50,808</u>	<u>144</u>	<u>65,409</u>	<u>116,361</u>	<u>2,711,341</u>	<u>750</u>	<u>540,471</u>	<u>3,252,562</u>	<u>34,380</u>		
Less: Allowance for uncollectible accounts	<u>45,428</u>	-	<u>228</u>	<u>45,656</u>	-	-	<u>60,631</u>	<u>60,631</u>	<u>61</u>		
Total	<u>5,380</u>	<u>144</u>	<u>65,181</u>	<u>70,705</u>	<u>2,711,341</u>	<u>750</u>	<u>479,840</u>	<u>3,191,931</u>	<u>34,319</u>		
Less: Amounts representing restricted assets	-	-	-	-	<u>1,590,836</u>	-	<u>479,840</u>	<u>2,070,676</u>	-		
Loans and notes receivable, net	<u>\$ 5,380</u>	<u>\$ 144</u>	<u>\$ 65,181</u>	<u>\$ 70,705</u>	<u>\$ 1,120,505</u>	<u>\$ 750</u>	<u>\$ -</u>	<u>\$ 1,121,255</u>	<u>\$ 34,319</u>		

Table 6-2 (amounts expressed in thousands)

	Major Component Units				
	Illinois Housing Development Authority	Illinois State University	Northern Illinois University	Southern Illinois University	University of Illinois
Mortgage loan program	\$ 1,494,543	\$ -	\$ -	\$ -	\$ -
Student loan program	-	9,496	8,572	19,148	67,775
Other	-	-	-	26	-
	<u>1,494,543</u>	<u>9,496</u>	<u>8,572</u>	<u>19,174</u>	<u>67,775</u>
Less: Allowance for uncollectible accounts	<u>47,964</u>	<u>1,046</u>	<u>71</u>	<u>247</u>	<u>3,805</u>
Loans and notes receivable, net	<u>\$ 1,446,579</u>	<u>\$ 8,450</u>	<u>\$ 8,501</u>	<u>\$ 18,927</u>	<u>\$ 63,970</u>

## 7 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015, was as follows:

Table 7-1 (amounts expressed in thousands)

	<b>Beginning Balance (as restated)</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers and Reclassifications</b>	<b>Ending Balance</b>
<b>Primary Government Governmental activities</b>					
<b>Capital assets not being depreciated:</b>					
Land and land improvements	\$ 3,304,197	\$ 105,471	\$ 293	\$ 739	\$ 3,410,114
Intangible assets	154,546	51,937	-	(19,806)	186,677
Historical treasures and works of art	39,191	19	-	-	39,210
Construction in progress	146,974	135,305	8	(136,430)	145,841
Total capital assets not being depreciated	<u>3,644,908</u>	<u>292,732</u>	<u>301</u>	<u>(155,497)</u>	<u>3,781,842</u>
<b>Capital assets being depreciated:</b>					
Infrastructure	26,943,328	1,448,602	899,083	-	27,492,847
Site improvements	772,550	2,689	3,383	12,157	784,013
Buildings and building improvements	4,575,763	5,264	48,960	110,945	4,643,012
Equipment	1,132,395	91,450	71,245	5,820	1,158,420
Historical treasures and works of art	1,100	-	-	-	1,100
Intangible assets	188,627	15,911	1,205	19,843	223,176
Total capital assets being depreciated	<u>33,613,763</u>	<u>1,563,916</u>	<u>1,023,876</u>	<u>148,765</u>	<u>34,302,568</u>
<b>Less accumulated depreciation for:</b>					
Infrastructure	11,648,000	1,175,443	899,083	-	11,924,360
Site improvements	487,619	20,635	-	6	508,260
Buildings and building improvements	2,624,488	103,281	1,506	(837)	2,725,426
Equipment	865,730	96,541	62,711	(5,946)	893,614
Historical treasures and works of art	1,100	-	-	-	1,100
Intangible assets	36,836	20,314	1,176	37	56,011
Total accumulated depreciation	<u>15,663,773</u>	<u>1,416,214</u>	<u>964,476</u>	<u>(6,740)</u>	<u>16,108,771</u>
Total capital assets being depreciated, net	<u>17,949,990</u>	<u>147,702</u>	<u>59,400</u>	<u>155,505</u>	<u>18,193,797</u>
<b>Governmental activities capital assets, net</b>					
	<u>\$ 21,594,898</u>	<u>\$ 440,434</u>	<u>\$ 59,701</u>	<u>\$ 8</u>	<u>\$ 21,975,639</u>
<b>Depreciation expense for governmental activities was charged to functions as follows:</b>					
Health and social services				\$ 36,292	
Education				5,299	
General government				21,746	
Employment and economic development				11,340	
Transportation				1,202,716	
Public protection and justice				82,785	
Environmental and business regulation				25,669	
Internal service funds				30,367	
Total				<u>\$ 1,416,214</u>	

Table 7-2 (amounts expressed in thousands)

	Beginning Balance	Additions	Deletions	Transfers and Reclassifications	Ending Balance
<b>Primary Government</b>					
<b>Business-type activities</b>					
<b>Water Revolving Fund:</b>					
<b>Capital assets being depreciated:</b>					
Equipment	\$ 424	\$ 27	\$ -	\$ -	\$ 451
Total capital assets being depreciated	424	27	-	-	451
<b>Less accumulated depreciation for:</b>					
Equipment	366	18	-	-	384
Total accumulated depreciation	366	18	-	-	384
Total capital assets being depreciated, net	58	9	-	-	67
<b>Water Revolving Fund capital assets, net</b>	58	9	-	-	67
<b>Nonmajor enterprise funds:</b>					
<b>Capital assets not being depreciated:</b>					
Construction in progress	90	160	-	-	250
Total capital assets not being depreciated	90	160	-	-	250
<b>Capital assets being depreciated:</b>					
Buildings and building improvements	2,461	22	-	-	2,483
Equipment	6,757	181	262	(36)	6,640
Intangible assets	3,357	-	-	-	3,357
Total capital assets being depreciated	12,575	203	262	(36)	12,480
<b>Less accumulated depreciation for:</b>					
Buildings and building improvements	326	66	-	-	392
Equipment	5,277	719	261	(28)	5,707
Intangible assets	588	336	-	-	924
Total accumulated depreciation	6,191	1,121	261	(28)	7,023
Total capital assets being depreciated, net	6,384	(918)	1	(8)	5,457
<b>Nonmajor enterprise funds capital assets, net</b>	6,474	(758)	1	(8)	5,707
<b>Total Business-type activities</b>					
Capital assets not being depreciated	90	160	-	-	250
Capital assets being depreciated, net	6,442	(909)	1	(8)	5,524
<b>Business-type activities capital assets, net</b>	<b>\$ 6,532</b>	<b>\$ (749)</b>	<b>\$ 1</b>	<b>\$ (8)</b>	<b>\$ 5,774</b>
<b>Depreciation expense for business-type activities was charged to functions as follows:</b>					
Water revolving				\$ 18	
Lottery				55	
Other				1,066	
<b>Total</b>				<b>\$ 1,139</b>	

Table 7-3 (amounts expressed in thousands)

	Beginning Balance	Additions	Deletions	Transfers and Reclassifications	Ending Balance
<b>Fiduciary Funds</b>					
<b>Capital assets not being depreciated:</b>					
Land and land improvements	\$ 1,738	\$ -	\$ -	\$ -	\$ 1,738
Intangible assets	3	-	-	-	3
Total capital assets not being depreciated	<u>1,741</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,741</u>
<b>Capital assets being depreciated:</b>					
Site improvements	1,089	-	-	-	1,089
Buildings and building improvements	18,546	624	-	-	19,170
Equipment	21,381	751	909	-	21,223
Intangible assets	3,084	1,917	-	-	5,001
Total capital assets being depreciated	<u>44,100</u>	<u>3,292</u>	<u>909</u>	<u>-</u>	<u>46,483</u>
<b>Less accumulated depreciation for:</b>					
Site improvements	533	77	-	-	610
Buildings and building improvements	11,013	744	18	-	11,739
Equipment	19,073	976	881	-	19,168
Intangible assets	832	450	-	-	1,282
Total accumulated depreciation	<u>31,451</u>	<u>2,247</u>	<u>899</u>	<u>-</u>	<u>32,799</u>
Total capital assets being depreciated, net	<u>12,649</u>	<u>1,045</u>	<u>10</u>	<u>-</u>	<u>13,684</u>
<b>Fiduciary funds capital assets, net</b>	<b>\$ 14,390</b>	<b>\$ 1,045</b>	<b>\$ 10</b>	<b>\$ -</b>	<b>\$ 15,425</b>

Table 7-4 (amounts expressed in thousands)

	Beginning Balance	Additions	Deletions	Transfers and Reclassifications	Ending Balance
<b>Major Component Units</b>					
<b>Illinois Housing Development Authority:</b>					
<b>Capital assets being depreciated:</b>					
Buildings and building improvements	\$ 42,523	\$ 940	\$ -	\$ -	\$ 43,463
Equipment	810	99	36	-	873
Intangible assets	2,665	178	28	-	2,815
Total capital assets being depreciated	<u>45,998</u>	<u>1,217</u>	<u>64</u>	<u>-</u>	<u>47,151</u>
<b>Less accumulated depreciation for:</b>					
Buildings and building improvements	18,264	989	-	-	19,253
Equipment	359	154	36	-	477
Intangible assets	1,738	276	28	-	1,986
Total accumulated depreciation	<u>20,361</u>	<u>1,419</u>	<u>64</u>	<u>-</u>	<u>21,716</u>
Total capital assets being depreciated, net	<u>25,637</u>	<u>(202)</u>	<u>-</u>	<u>-</u>	<u>25,435</u>
<b>Capital assets, net</b>	<b>\$ 25,637</b>	<b>\$ (202)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25,435</b>
<b>Illinois State Toll Highway Authority:</b>					
<b>Capital assets not being depreciated:</b>					
Land and land improvements	\$ 337,264	\$ 52,033	\$ -	\$ -	\$ 389,297
Construction in progress	355,524	971,600	-	(509,801)	817,323
Total capital assets not being depreciated	<u>692,788</u>	<u>1,023,633</u>	<u>-</u>	<u>(509,801)</u>	<u>1,206,620</u>
<b>Capital assets being depreciated:</b>					
Infrastructure	7,314,116	59,294	483,035	509,801	7,400,176
Buildings and building improvements	54,481	1,755	-	-	56,236
Equipment	231,088	29,649	6,172	-	254,565
Total capital assets being depreciated	<u>7,599,685</u>	<u>90,698</u>	<u>489,207</u>	<u>509,801</u>	<u>7,710,977</u>
<b>Less accumulated depreciation for:</b>					
Infrastructure	2,673,974	290,588	483,035	-	2,481,527
Buildings and building improvements	40,068	951	-	-	41,019
Equipment	148,925	15,810	4,999	-	159,736
Total accumulated depreciation	<u>2,862,967</u>	<u>307,349</u>	<u>488,034</u>	<u>-</u>	<u>2,682,282</u>
Total capital assets being depreciated, net	<u>4,736,718</u>	<u>(216,651)</u>	<u>1,173</u>	<u>509,801</u>	<u>5,028,695</u>
<b>Capital assets, net</b>	<b>\$ 5,429,506</b>	<b>\$ 806,982</b>	<b>\$ 1,173</b>	<b>\$ -</b>	<b>\$ 6,235,315</b>

Table 7-4 (continued)  
(amounts expressed in thousands)

	<u>Beginning Balance</u>		<u>Additions</u>	<u>Deletions</u>	<u>Transfers and Reclassifications</u>	<u>Ending Balance</u>
<b>Major Component Units, continued</b>						
<b>Illinois State University:</b>						
<b>Capital assets not being depreciated:</b>						
Land and land improvements	\$ 16,243	\$ 642	\$ -	\$ -	\$ -	\$ 16,885
Construction in progress	11,831	13,222	-	-	(3,226)	21,827
Total capital assets not being depreciated	<u>28,074</u>	<u>13,864</u>	<u>-</u>	<u>-</u>	<u>(3,226)</u>	<u>38,712</u>
<b>Capital assets being depreciated:</b>						
Infrastructure	13,147	-	-	-	-	13,147
Site improvements	37,459	-	-	-	-	37,459
Buildings and building improvements	574,336	1,096	-	-	3,226	578,658
Equipment	185,879	8,556	2,503	-	-	191,932
Total capital assets being depreciated	<u>810,821</u>	<u>9,652</u>	<u>2,503</u>	<u>-</u>	<u>3,226</u>	<u>821,196</u>
<b>Less accumulated depreciation for:</b>						
Infrastructure	7,297	303	-	-	-	7,600
Site improvements	14,545	1,167	-	-	-	15,712
Buildings and building improvements	219,213	13,287	-	-	-	232,500
Equipment	146,145	9,980	2,453	-	-	153,672
Total accumulated depreciation	<u>387,200</u>	<u>24,737</u>	<u>2,453</u>	<u>-</u>	<u>-</u>	<u>409,484</u>
Total capital assets being depreciated, net	<u>423,621</u>	<u>(15,085)</u>	<u>50</u>	<u>3,226</u>	<u>-</u>	<u>411,712</u>
<b>Capital assets, net</b>	<u><u>\$ 451,695</u></u>	<u><u>\$ (1,221)</u></u>	<u><u>\$ 50</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 450,424</u></u>
<b>Northern Illinois University:</b>						
<b>Capital assets not being depreciated:</b>						
Land and land improvements	\$ 23,110	\$ -	\$ -	\$ -	\$ -	\$ 23,110
Construction in progress	20,754	22,034	-	-	(8,892)	33,896
Total capital assets not being depreciated	<u>43,864</u>	<u>22,034</u>	<u>-</u>	<u>-</u>	<u>(8,892)</u>	<u>57,006</u>
<b>Capital assets being depreciated:</b>						
Site improvements	77,678	-	-	-	4,213	81,891
Buildings and building improvements	689,912	72	-	-	4,679	694,663
Equipment	185,107	6,780	4,122	-	-	187,765
Intangible assets	3,820	-	-	-	-	3,820
Total capital assets being depreciated	<u>956,517</u>	<u>6,852</u>	<u>4,122</u>	<u>-</u>	<u>8,892</u>	<u>968,139</u>
<b>Less accumulated depreciation for:</b>						
Site improvements	42,240	2,900	-	-	-	45,140
Buildings and building improvements	272,562	19,000	-	-	-	291,562
Equipment	187,236	5,861	3,840	-	-	189,257
Intangible assets	3,820	-	-	-	-	3,820
Total accumulated depreciation	<u>505,858</u>	<u>27,761</u>	<u>3,840</u>	<u>-</u>	<u>-</u>	<u>529,779</u>
Total capital assets being depreciated, net	<u>450,659</u>	<u>(20,909)</u>	<u>282</u>	<u>8,892</u>	<u>-</u>	<u>438,360</u>
<b>Capital assets, net</b>	<u><u>\$ 494,523</u></u>	<u><u>\$ 1,125</u></u>	<u><u>\$ 282</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 495,366</u></u>

Table 7-4 (continued)  
(amounts expressed in thousands)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers and Reclassifications</u>	<u>Ending Balance</u>
<b>Major Component Units, continued</b>					
<b>Southern Illinois University:</b>					
<b>Capital assets not being depreciated:</b>					
Land and land improvements	\$ 22,223	\$ -	\$ 8	\$ -	\$ 22,215
Historic treasures and works of art	11,562	430	-	-	11,992
Construction in progress	73,102	39,640	1,788	(29,254)	81,700
Total capital assets not being depreciated	106,887	40,070	1,796	(29,254)	115,907
<b>Capital assets being depreciated:</b>					
Infrastructure	13,349	2,452	-	1,211	17,012
Site improvements	69,707	741	543	6,024	75,929
Buildings and building improvements	1,203,833	4,539	1,034	22,019	1,229,357
Equipment	373,764	10,328	5,720	-	378,372
Intangible assets	7,341	-	-	-	7,341
Total capital assets being depreciated	1,667,994	18,060	7,297	29,254	1,708,011
<b>Less accumulated depreciation for:</b>					
Infrastructure	8,672	818	50	-	9,440
Site improvements	44,671	2,946	543	-	47,074
Buildings and building improvements	530,395	32,773	485	-	562,683
Equipment	316,828	16,376	5,397	-	327,807
Intangible assets	4,082	701	-	-	4,783
Total accumulated depreciation	904,648	53,614	6,475	-	951,787
Total capital assets being depreciated, net	763,346	(35,554)	822	29,254	756,224
<b>Capital assets, net</b>	<b>\$ 870,233</b>	<b>\$ 4,516</b>	<b>\$ 2,618</b>	<b>\$ -</b>	<b>\$ 872,131</b>
<b>University of Illinois:</b>					
<b>Capital assets not being depreciated:</b>					
Land and land improvements	\$ 137,338	\$ (1,516)	\$ -	\$ -	\$ 135,822
Intangible assets	130	-	-	-	130
Historic treasures and works of art	22,480	510	7	-	22,983
Construction in progress	244,176	247,807	-	(188,236)	303,747
Total capital assets not being depreciated	404,124	246,801	7	(188,236)	462,682
<b>Capital assets being depreciated:</b>					
Site improvements	699,757	-	-	2,540	702,297
Buildings and building improvements	3,869,608	158	-	178,763	4,048,529
Equipment	1,832,644	102,236	83,967	4,202	1,855,115
Intangible assets	177,013	1	923	2,731	178,822
Total capital assets being depreciated	6,579,022	102,395	84,890	188,236	6,784,763
<b>Less accumulated depreciation for:</b>					
Site improvements	395,985	23,361	-	-	419,346
Buildings and building improvements	1,510,425	97,981	-	-	1,608,406
Equipment	1,340,004	125,046	73,172	-	1,391,878
Intangible assets	168,731	3,468	923	-	171,276
Total accumulated depreciation	3,415,145	249,856	74,095	-	3,590,906
Total capital assets being depreciated, net	3,163,877	(147,461)	10,795	188,236	3,193,857
<b>Capital assets, net</b>	<b>\$ 3,568,001</b>	<b>\$ 99,340</b>	<b>\$ 10,802</b>	<b>\$ -</b>	<b>\$ 3,656,539</b>

## 8 CHANGES IN LONG-TERM OBLIGATIONS

Changes in long-term obligations for governmental activities for the year ended June 30, 2015, are summarized below:

Table 8-1 (amounts expressed in thousands)

Primary Government Governmental Activities	Balance July 1, 2014 (as restated)	Additions	Deletions	Balance June 30, 2015	Amounts Due Within One Year
Bonds payable:					
General obligation bonds (note 9)	\$ 29,018,657	\$ 10,384 *	\$ (2,068,624)	\$ 26,960,417	\$ 1,664,503 ^
Special obligation bonds (note 10)	3,063,964	2,009 **	(252,410)	2,813,563	246,450
Revenue bonds (note 11)	1,309,675	-	(76,820)	1,232,855	80,655
Unamortized premiums:					
General obligation bonds (note 9)	526,488	-	(64,144)	462,344	58,625
Special obligation bonds (note 10)	117,720	-	(19,280)	98,440	19,281
Revenue bonds (note 11)	5,254	-	(378)	4,876	-
Unamortized (discounts):					
General obligation bonds (note 9)	(1,563)	-	120	(1,443)	-
Total bonds payable	<u>34,040,195</u>	<u>12,393</u>	<u>(2,481,536)</u>	<u>31,571,052</u>	<u>2,069,514</u>
Other long-term obligations:					
Capital lease obligations (note 13A)	6,073	3,439	(2,268)	7,244	2,525
Installment purchases (note 13C)	808	-	(366)	442	406
Certificates of participation (note 13B)	41,265		(8,205)	33,060	8,690
Workers compensation (note 19)	625,612	117,268	(119,113)	623,767	111,236
Auto liability (note 19)	13,556	3,904	(2,438)	15,022	5,017
Pollution remediation obligation (note 13D)	29,550	-	-	29,550	74
Compensated absences (note 1L)	423,776	374,963	(389,184)	409,555	54,149
Net pension liability (note 16)	108,105,731	270,946	-	108,376,677	-
Net other postemployment benefits obligation (note 17)	10,492,063	1,482,589	-	11,974,652	-
Total other long-term obligations	<u>119,738,434</u>	<u>2,253,109</u>	<u>(521,574)</u>	<u>121,469,969</u>	<u>182,097</u>
<b>Total Governmental Activities</b>	<b>\$ 153,778,629</b>	<b>\$ 2,265,502</b>	<b>\$ (3,003,110)</b>	<b>\$ 153,041,021</b>	<b>\$ 2,251,611</b>

\* Includes \$10,382 of interest accrued on capital appreciation debt.

\*\* Includes \$2,009 of interest accrued on capital appreciation debt.

^ \$247 of interest will be accrued on capital appreciation debt in the next year.

The liabilities for governmental activities of the primary government have been liquidated in prior years as follows:

**Compensated absences, certificates of participation, and capital lease obligations (including installment purchases)** – by the applicable governmental and internal service funds that accounted for the salaries and wages of the related employees or incurred the obligation.

**Workers compensation** – by charges from the Workers' Compensation Revolving Fund, an internal service fund, to the applicable fund that would have paid the salaries and wages of the related employees.

**Net pension liability** – by the applicable funds that accounted for the salaries and wages of the related employees who are members of the General Assembly Retirement System, the Judges' Retirement System or the State Employees' Retirement System. In addition, appropriations from the General Fund have been used to liquidate amounts for employees who are members of the Teachers' Retirement System or the State Universities Retirement System.

**Net other postemployment benefit obligation** – by the applicable funds that accounted for the salaries and wages of the related employees who are members of the State's group insurance

programs. In addition, appropriations from the General Fund are used to liquidate amounts for employees of the State's university component units.

**Other** – by the applicable governmental funds that incurred the obligation as discussed in Note 13.

Changes in long-term obligations for business-type activities for the year ended June 30, 2015, are summarized below:

Table 8-2 (amounts expressed in thousands)						
	Balance July 1, 2014 (as restated)	Additions	Deletions	Balance June 30, 2015	Amounts Due Within One Year	
<b>Primary Government Business-type Activities</b>						
<i>Unemployment Compensation Trust Fund:</i>						
Bonds payable:						
Revenue bonds (note 11)	\$ 1,051,405	\$ -	\$ (433,140)	\$ 618,265	\$ 176,690	
Unamortized premiums (note 11)	82,017	-	(45,414)	36,603	18,526	
<b>Total Unemployment Compensation Trust Fund</b>	<b>1,133,422</b>	<b>-</b>	<b>(478,554)</b>	<b>654,368</b>	<b>195,216</b>	
<i>Water Revolving Fund:</i>						
Other long-term obligations:						
Capital lease obligations (note 13A)	-	27	(1)	26	8	
Compensated absences (note 1L)	1,548	792	(850)	1,490	52	
Net pension liability	51,960	10,730	-	62,690	-	
<b>Total Water Revolving Fund</b>	<b>53,508</b>	<b>11,549</b>	<b>(851)</b>	<b>64,206</b>	<b>60</b>	
<i>Prepaid Tuition Fund:</i>						
Tuition and related accretion payable (note 13F)	1,446,656	11,950	(138,404)	1,320,202	163,506	
<b>Total Prepaid Tuition Fund</b>	<b>1,446,656</b>	<b>11,950</b>	<b>(138,404)</b>	<b>1,320,202</b>	<b>163,506</b>	
<i>Nonmajor Enterprise Funds:</i>						
Bonds payable:						
Revenue bonds (note 11)	330,789	-	(54,134)	276,655	-	
Unamortized (discounts) (note 11)	(6,466)	-	208	(6,258)	-	
<b>Total bonds payable</b>	<b>324,323</b>	<b>-</b>	<b>(53,926)</b>	<b>270,397</b>	<b>-</b>	
Other long-term obligations:						
Lottery prize awards (note 13E)	271,568	41,142	(39,983)	272,727	34,409	
Compensated absences (note 1L)	5,720	2,275	(3,790)	4,205	335	
Net pension liability	205,059	25,208	(5,119)	225,148	-	
Other obligations (note 13G)	8,180	444	(464)	8,160	1,542	
<b>Total other long-term obligations</b>	<b>490,527</b>	<b>69,069</b>	<b>(49,356)</b>	<b>510,240</b>	<b>36,286</b>	
<b>Total Nonmajor Enterprise Funds</b>	<b>814,850</b>	<b>69,069</b>	<b>(103,282)</b>	<b>780,637</b>	<b>36,286</b>	
<b>Total Business-type Activities</b>	<b>\$ 3,448,436</b>	<b>\$ 92,568</b>	<b>\$ (721,091)</b>	<b>\$ 2,819,913</b>	<b>\$ 395,068</b>	

Changes in long-term obligations for fiduciary funds for the year ended June 30, 2015, are summarized below:

Table 8-3 (amounts expressed in thousands)						
	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015	Amounts Due Within One Year	
<b>Fiduciary Funds</b>						
<i>Capital lease obligations (note 13A)</i>						
\$ 35	\$ -	\$ (15)	\$ 20	\$ 15		
4,507	2,492	(2,391)	4,608	387		
<b>Total Fiduciary Funds</b>	<b>\$ 4,542</b>	<b>\$ 2,492</b>	<b>\$ (2,406)</b>	<b>\$ 4,628</b>	<b>\$ 402</b>	

Changes in long-term obligations for component units for the year ended June 30, 2015, are summarized below:

Table 8-4 (amounts expressed in thousands)

	Balance July 1, 2014			Balance June 30, 2015	Amounts Due Within One Year			
		Additions	Deletions					
<b>Major Component Units</b>								
<b>Illinois Housing Development Authority:</b>								
Bonds and notes payable:								
Revenue bonds (note 11)	\$ 1,207,746	\$ 177,791	\$ (336,936)	\$ 1,048,601	\$ 30,062			
Notes payable (note 12)	73,879	-	(39,799)	34,080	147			
Unamortized premiums (note 11)	1,483	1,898	(1,071)	2,310	345			
Unamortized (discounts) (note 11)	(1,032)	-	23	(1,009)	(28)			
Total bonds and notes payable	<u>1,282,076</u>	<u>179,689</u>	<u>(377,783)</u>	<u>1,083,982</u>	<u>30,526</u>			
Other long-term obligations:								
Compensated absences (note 1L)	643	1,612	(1,557)	698	698			
Total other long-term obligations	<u>643</u>	<u>1,612</u>	<u>(1,557)</u>	<u>698</u>	<u>698</u>			
<b>Total Illinois Housing Development Authority</b>	<u>\$ 1,282,719</u>	<u>\$ 181,301</u>	<u>\$ (379,340)</u>	<u>\$ 1,084,680</u>	<u>\$ 31,224</u>			
<b>Illinois State Toll Highway Authority:</b>								
Bonds payable:								
Revenue bonds (note 11)	\$ 4,396,555	\$ 1,543,275	\$ (821,060)	\$ 5,118,770	\$ 97,795			
Unamortized premiums (note 11)	130,219	219,324	(44,316)	305,227	28,867			
Unamortized (discounts) (note 11)	(7,188)	-	380	(6,808)	(378)			
Total bonds payable	<u>4,519,586</u>	<u>1,762,599</u>	<u>(864,996)</u>	<u>5,417,189</u>	<u>126,284</u>			
Other long-term obligations:								
Accrued self-insurance (note 19)	18,378	15,746	(14,378)	19,746	7,758			
Compensated absences (note 1L)	9,687	6,172	(5,810)	10,049	5,800			
Other obligations (note 13G)	158	-	(28)	130	-			
Total other long-term obligations	<u>28,223</u>	<u>21,918</u>	<u>(20,216)</u>	<u>29,925</u>	<u>13,558</u>			
<b>Total Illinois State Toll Highway Authority</b>	<u>\$ 4,547,809</u>	<u>\$ 1,784,517</u>	<u>\$ (885,212)</u>	<u>\$ 5,447,114</u>	<u>\$ 139,842</u>			
<b>Illinois State University:</b>								
Bonds payable:								
Revenue bonds (note 11)	\$ 98,131	\$ 550	\$ (7,160)	\$ 91,521	\$ 6,951 ^			
Unamortized premiums (note 11)	495	-	(28)	467	28			
Unamortized (discounts) (note 11)	(641)	-	38	(603)	(38)			
Total bonds payable	<u>97,985</u>	<u>550</u>	<u>(7,150)</u>	<u>91,385</u>	<u>6,941</u>			
Other long-term obligations:								
Capital lease obligations (note 13A)	1,003	-	(495)	508	508			
Certificates of participation (note 13B)	56,280	-	(2,570)	53,710	2,645			
Unamortized premiums (note 13B)	52	-	(3)	49	3			
Unamortized (discounts) (note 13B)	(256)	-	15	(241)	(14)			
Installment purchase obligations (note 13C)	2,901	-	(84)	2,817	90			
Compensated absences (note 1L)	16,119	1,934	(1,596)	16,457	2,048			
Other obligations (note 13G)	250	55	(25)	280	31			
Total other long-term obligations	<u>76,349</u>	<u>1,989</u>	<u>(4,758)</u>	<u>73,580</u>	<u>5,311</u>			
<b>Total Illinois State University</b>	<u>\$ 174,334</u>	<u>\$ 2,539</u>	<u>\$ (11,908)</u>	<u>\$ 164,965</u>	<u>\$ 12,252</u>			

<sup>^</sup> \$244 of interest will be accrued on capital appreciation debt in the next year.

Table 8-4 (continued)  
(amounts expressed in thousands)

	Balance July 1, 2014				Balance June 30, 2015		Amounts Due Within One Year
	Additions	Deletions					
<b>Major Component Units, continued</b>							
<b>Northern Illinois University:</b>							
Bonds and notes payable:							
Revenue bonds (note 11)	\$ 195,018	\$ 384	\$ (3,890)	\$ 191,512	\$ 3,900		
Notes payable (note 12)	-	200	(19)	181	37		
Total bonds and notes payable	<u>195,018</u>	<u>584</u>	<u>(3,909)</u>	<u>191,693</u>	<u>3,937</u>		
Other long-term obligations:							
Capital lease obligations (note 13A)	134,027	-	(1,321)	132,706	1,482		
Certificates of participation (note 13B)	14,345	-	(515)	13,830	1,490		
Unamortized premiums (note 13B)	1,140	-	(94)	1,046	95		
Compensated absences (note 1L)	17,840	1,203	(2,274)	16,769	2,274		
Other obligations (note 13G)	35,714	-	(2,200)	33,514	2,474		
Total other long-term obligations	<u>203,066</u>	<u>1,203</u>	<u>(6,404)</u>	<u>197,865</u>	<u>7,815</u>		
<b>Total Northern Illinois University</b>	<b>\$ 398,084</b>	<b>\$ 1,787</b>	<b>\$ (10,313)</b>	<b>\$ 389,558</b>	<b>\$ 11,752</b>		
<b>Southern Illinois University:</b>							
Bonds payable:							
Revenue bonds (note 11)	\$ 273,069	\$ 25,360	\$ (32,015)	\$ 266,414	\$ 19,482	^	
Unamortized premiums (note 11)	9,702	-	(698)	9,004	484		
Total bonds payable	<u>282,771</u>	<u>25,360</u>	<u>(32,713)</u>	<u>275,418</u>	<u>19,966</u>		
Other long-term obligations:							
Capital lease obligations (note 13A)	4,097	2,040	(1,145)	4,992	1,771		
Certificates of participation (note 13B)	42,995	-	(2,020)	40,975	2,155		
Unamortized premiums (note 13B)	999	-	(51)	948	51		
Accrued self-insurance (note 19)	29,960	10,156	(6,252)	33,864	8,872		
Compensated absences (note 1L)	45,345	661	(3,405)	42,601	3,709		
Other obligations (note 13G)	3,485	166	(515)	3,136	416		
Total other long-term obligations	<u>126,881</u>	<u>13,023</u>	<u>(13,388)</u>	<u>126,516</u>	<u>16,974</u>		
<b>Total Southern Illinois University</b>	<b>\$ 409,652</b>	<b>\$ 38,383</b>	<b>\$ (46,101)</b>	<b>\$ 401,934</b>	<b>\$ 36,940</b>		
<b>University of Illinois:</b>							
Bonds payable:							
Revenue bonds (note 11)	\$ 1,342,545	\$ 117,122	\$ (147,865)	\$ 1,311,802	\$ 56,397	^^	
Unamortized premiums (note 11)	63,759	8,343	(6,691)	65,411	3,700		
Total bonds payable	<u>1,406,304</u>	<u>125,465</u>	<u>(154,556)</u>	<u>1,377,213</u>	<u>60,097</u>		
Other long-term obligations:							
Capital lease obligations (note 13A)	8,842	-	(2,080)	6,762	2,602		
Certificates of participation (note 13B)	365,725	65,255	(159,420)	271,560	27,460		
Unamortized premiums (note 13B)	7,209	8,130	(4,373)	10,966	1,911		
Accrued self-insurance (note 19)	223,744	49,707	(29,492)	243,959	53,766		
Compensated absences (note 1L)	200,387	18,040	(14,872)	203,555	20,312		
Other obligations (note 13G)	104,363	7,695	(10,490)	101,568	10,125		
Total other long-term obligations	<u>910,270</u>	<u>148,827</u>	<u>(220,727)</u>	<u>838,370</u>	<u>116,176</u>		
<b>Total University of Illinois</b>	<b>\$ 2,316,574</b>	<b>\$ 274,292</b>	<b>\$ (375,283)</b>	<b>\$ 2,215,583</b>	<b>\$ 176,273</b>		

^ \$323 of interest will be accrued on capital appreciation debt in the next year.

^^ \$923 of interest will be accrued on capital appreciation debt in the next year.

## 9 GENERAL OBLIGATION BONDS

General obligation bonds outstanding and bonds authorized but unissued at June 30, 2015, are as follows:

Table 9-1 (amounts expressed in thousands)

**Governmental Activities**

		<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rate Ranges</u>	<u>Anti-Pollution</u>	<u>Capital Development</u>	<u>Coal Development</u>	<u>Pension</u>
<b>Multiple Purpose Series:</b>								
October 1993	\$ 169,399	8/1/2015	Accreted*	\$ 923	\$ 3,634	\$ 54	\$ -	-
October 1994	209,816	8/1/2016	Accreted*	1,760	14,069	-	511	-
November 1997	168,330	8/1/2019	Accreted*	-	56,917	-	-	-
November 1998	122,334	8/1/2020	Accreted*	-	28,064	-	-	-
October 2000	101,855	8/1/2022	Accreted*	-	17,583	-	-	-
April 2001	112,810	4/1/2016	5.375%	-	-	-	-	-
May 2001	300,000	5/1/2026	5.5%	-	9,667	200	-	-
August 2001	375,000	8/1/2026	5.5%	1,705	18,759	853	-	-
November 2001	375,000	11/1/2026	6.0%	1,413	16,847	-	-	-
August 2002	564,900	8/1/2019	5.5%	-	-	-	-	-
October 2002	395,000	10/1/2027	4.75%	-	12,152	-	-	-
October 2002	62,079	8/1/2024	Accreted*	1,740	5,246	696	-	-
June 2003	460,000	6/1/2028	4.25% to 5.0%	3,198	33,045	-	-	-
June 2003	10,000,000	6/1/2033	4.35% to 5.1%	-	-	-	-	9,400,000
A-October 2003	363,000	10/1/2020	5.0% to 5.25%	1,451	7,602	-	-	-
B-October 2003	40,170	10/1/2021	Variable**	-	-	-	-	-
B-October 2003	559,830	10/1/2033	Variable**	18,990	104,965	-	-	-
A-March 2004	484,400	3/1/2034	5.0%	9,935	96,658	-	-	-
September 2004	285,000	9/1/2029	4.5% to 5.0%	-	25,584	-	-	-
November 2004	275,000	11/1/2029	5.0%	3,000	70,575	-	-	-
April 2005	315,000	4/1/2030	5.0%	-	51,000	-	-	-
September 2005	300,000	9/1/2030	4.0% to 5.0%	-	71,559	-	-	-
January 2006	325,000	1/1/2031	5.0% to 5.50%	-	75,520	1,920	-	-
June 2006	274,950	1/1/2021	5.0%	-	-	-	-	-
A-June 2006	285,000	6/1/2031	5.0%	-	119,680	2,405	-	-
April 2007	150,000	4/1/2032	4.5% to 5.0%	-	64,600	-	-	-
A-June 2007	108,000	6/1/2025	5.0%	-	23,621	-	-	-
B-June 2007	329,000	1/1/2021	5.0% to 5.25%	-	-	-	-	-
April 2008	125,000	4/1/2033	4.25% to 5.0%	-	72,000	-	-	-
April 2009	150,000	4/1/2034	4.0% to 5.25%	-	50,692	3,800	-	-
A-September 2009	400,000	9/1/2034	3.5% to 5.0%	2,000	22,019	15,981	-	-
B.A.B.^ 2010-1	1,000,000	2/1/2035	4.533% to 6.63%	-	298,160	-	-	-
February 2010	1,501,300	1/1/2025	3.0% to 5.0%	-	-	-	-	-
B.A.B.^ 2010-2	300,000	3/1/2035	4.7% to 6.9%	-	-	-	-	-
March 2010	56,000	3/1/2035	4.7% to 6.9%	-	-	-	-	-
B.A.B.^ 2010-3	700,000	4/1/2035	4.790% to 6.725%	-	-	-	-	-
February 2011	3,700,000	3/1/2019	4.961% to 5.877%	-	-	-	-	3,300,000
B.A.B.^ 2010-4	300,000	7/1/2035	4.5% to 7.1%	7,980	-	-	-	-
B.A.B.^ 2010-5	900,000	7/1/2035	4.85% to 7.35%	23,940	-	-	-	-
A-January 2012	525,000	1/1/2037	3.0% to 5.0%	-	86,680	1,320	-	-
B-January 2012	275,000	1/1/2037	3.1% to 5.75%	44,000	3,706	18,294	-	-
March 2012	575,000	3/1/2037	5.0%	-	132,000	-	-	-
May 2012	1,797,740	8/1/2025	2.0% to 5.0%	-	-	-	-	-
September 2012	50,000	9/1/2022	4.0%	-	40,000	-	-	-
A-April 2013	450,000	4/1/2038	4.0% to 5.0%	-	59,340	-	-	-
B-April 2013	350,000	4/1/2038	1.78% to 5.52%	-	25,427	-	-	-
June 2013	1,300,000	7/1/2038	4.0% to 5.50%	1,248	177,311	5,760	-	-
December 2013	350,000	12/1/2038	1.28% to 5.65%	-	92,160	-	-	-
February 2014	1,025,000	2/1/2039	3.0% to 5.25%	-	288,000	-	-	-
April 2014	250,000	4/1/2039	4.25% to 5.0%	-	-	-	-	-
May 2014	750,000	5/1/2039	3.5% to 5.0%	-	24,960	-	-	-
Total	\$ 34,340,913			123,283	2,299,802	51,794	12,700,000	
<b>Authorized but Unissued</b>								
				\$ 131,154	\$ 1,788,701	\$ 88,129	\$ 396,348	
^ Bonds issued under the American Recovery and Reinvestment Act of 2009 commonly referred to as "Build America Bonds." (B.A.B.)								
* Accreted bonds are shown at their accreted values as of 6/30/15. Imputed interest rates on these capital appreciation bonds range from 4.23% to 6.35%.								
** See Note 14--Derivatives for details on the variable rate bonds.								

Table 9-1 (amounts expressed in thousands)  
(continued)

School Construction	Transportation "A"	Transportation "B"	Transportation "D"	Refunding	Principal Outstanding June 30, 2015	Amount Related to Capital Assets
\$ 12	\$ 3,403	\$ 1,582	\$ -	\$ -	\$ 9,608	\$ 1,636
-	2,589	2,796	-	-	21,725	2,740
-	-	8,557	-	-	65,474	17,028
690	-	7,385	-	-	36,139	7,410
27,189	-	-	-	-	44,772	6,217
-	-	-	-	23,089	23,089	12,952
4,667	4,667	800	-	-	20,001	9,873
18,759	19,611	4,263	-	-	63,950	28,334
21,299	8,480	4,961	-	-	53,000	17,040
-	-	-	-	32,980	32,980	18,542
24,304	7,899	3,646	-	-	48,001	13,251
-	12,177	1,740	-	-	21,599	7,817
34,111	21,320	6,396	-	-	98,070	37,051
-	-	-	-	-	9,400,000	-
15,513	13,459	2,918	-	58,888	99,831	49,703
-	-	-	-	40,170	40,170	20,738
211,945	183,945	39,985	-	-	559,830	238,074
100,160	107,004	20,703	-	-	334,460	150,856
56,853	68,223	11,371	-	-	162,031	74,776
49,950	33,600	7,875	-	-	165,000	49,541
49,200	73,200	15,600	-	-	189,000	99,675
55,924	34,877	18,040	-	-	180,400	56,123
63,360	39,040	28,160	-	-	208,000	67,367
-	-	-	-	109,980	109,980	58,542
13,440	21,915	24,960	-	-	182,400	87,438
15,640	7,480	14,280	-	-	102,000	43,306
5,779	7,500	23,100	-	-	60,000	22,062
-	-	-	-	141,000	141,000	71,884
-	7,200	10,800	-	-	90,000	41,957
-	15,200	44,308	-	-	114,000	39,049
-	253,600	10,400	16,000	-	320,000	276,499
-	264,400	120,000	117,440	-	800,000	426,827
-	-	-	-	1,084,600	1,084,600	459,566
140,000	-	-	100,000	-	240,000	81,880
44,800	-	-	-	-	44,800	-
51,200	268,800	44,000	196,000	-	560,000	429,285
-	-	-	-	-	3,300,000	-
-	136,290	50,353	57,377	-	252,000	183,270
-	240,870	151,058	340,132	-	756,000	519,370
88,000	-	154,000	132,000	-	462,000	139,322
176,000	-	-	-	-	242,000	-
-	143,440	40,480	190,080	-	506,000	331,041
-	-	-	-	1,412,510	1,412,510	539,191
78,200	23,000	39,651	213,808	-	40,000	40,000
36,984	89,620	137,538	32,430	-	413,999	205,208
110,400	96,000	384,000	473,280	-	321,999	125,409
100,800	27,840	81,600	33,600	-	1,247,999	523,045
288,000	14,400	273,600	120,000	-	336,000	35,888
-	15,840	36,000	188,160	-	984,000	209,377
43,200	13,440	130,560	507,840	-	240,000	135,374
1,926,379	2,280,329	1,957,466	2,718,147	2,903,217	720,000	355,488
\$ 498,383	\$ 186,791	\$ 2,351,909	\$ 1,632,125	\$ 1,935,808	26,960,417	6,367,022
Unamortized premiums						462,344
Unamortized discounts						(1,443)
<b>Total</b>						<b>\$ 27,421,318</b>
						<b>\$ 6,566,058</b>

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General obligation bonds have been authorized and issued primarily to provide funds for acquisition and construction of capital facilities for higher education, public and mental health, correction, and conservation purposes and for maintenance and construction of highway and waterway facilities. Bonds have been issued to provide assistance to municipalities for construction of sewage treatment facilities, port districts, aquarium facilities, local schools, mass transportation and aviation purposes, and to fund research and development of coal as an energy source. Bonds have been issued for the purpose of making contributions to the following designated retirement systems: State Employees' Retirement System of Illinois; Teachers' Retirement System of the State of Illinois; State Universities Retirement System; Judges' Retirement System of Illinois; and General Assembly Retirement System. In addition, bonds have been authorized to refund any general obligation bonds outstanding.

The State Constitution provides that the State may issue general obligation bonds for specific purposes in such amounts as provided either by the General Assembly with a three-fifths vote of each house or by a majority of voters in a general election. The enabling acts pursuant to which the bonds are issued provide that all bonds issued thereunder shall be direct obligations of the State of Illinois and pledge the full faith and credit of the State. Effective July 30, 2004, general obligation bonds are to be redeemed over a period not to exceed 25 years from available resources in the debt service funds. Previously, bonds have been issued which mature in varying amounts over periods not exceeding 30 years. Bond offerings generally provide a call option for the State. Calls can begin 10 years following the date of issuance, in whole or in part, in such order as the State shall determine and at a redemption price not to exceed par value.

Bond issues 2010-1, 2010-2, 2010-3, 2010-4 and 2010-5 were issued as "Build America Bonds" for purposes of the American Recovery and Reinvestment Act of 2009 signed into law on February 17, 2009 (the "ARRA"). The State has authorized the issuance of Build America Bonds pursuant to Public Act 96-828. Pursuant to the ARRA, the State expects to receive a cash subsidy payment from the United States Treasury on or about each interest payment date (the "Subsidy Payments"). The Subsidy Payments do not constitute the full faith and credit guarantee of the United States Government, but is required to be paid by the United States Treasury under the ARRA. Any cash subsidy payments received by the State will be deposited into the State Treasury. Such payments are not pledged to secure repayment of the Bonds. The holders of the Bonds are not entitled to a tax credit as a result of the ownership of the Bonds.

Changes in general obligation bonds during the year ended June 30, 2015, are summarized in Note 8. Future general obligation debt service requirements at June 30, 2015, are as follows:

Table 9-2 (amounts expressed in thousands)

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2016	\$ 1,664,750	\$ 1,393,096	\$ 3,057,846
2017	1,955,945	1,316,896	3,272,841
2018	1,946,640	1,221,290	3,167,930
2019	1,935,305	1,121,970	3,057,275
2020	1,062,230	1,019,814	2,082,044
2021-2025	5,719,630	4,257,087	9,976,717
2026-2030	6,525,455	2,686,313	9,211,768
2031-2035	5,334,170	893,338	6,227,508
2036-2040	842,000	89,455	931,455
	<u>26,986,125</u>	<u>\$ 13,999,259</u>	<u>\$ 40,985,384</u>
Less: Unaccrued appreciation	(25,708)		
	<u>26,960,417</u>		
Unamortized premiums	462,344		
Unamortized (discounts)	(1,443)		
<b>Total</b>	<b>\$ 27,421,318</b>		

The State has issued \$600 million in variable rate general obligation bonds. Information regarding the June 30, 2015, valuations and risks associated with these bonds are included in Note 14—Derivatives.

## 10 SPECIAL OBLIGATION BONDS

Special obligation bonds have been authorized and issued to provide funds for the Build Illinois Program and the State's Metropolitan Civic Center Support Program, and to refund any bonds previously issued under these programs.

The Build Illinois Program was implemented to expand the State's efforts in economic development by providing financing in certain areas. These areas include construction, reconstruction, modernization and extension of the State's infrastructure; development and improvement of educational, scientific, technical and vocational programs and facilities; expansion of health and human services in the State; protection, preservation, restoration and conservation of the State's environmental and natural resources; and provision of incentives for the location and expansion of businesses in Illinois resulting in increased employment.

The State has pledged the following portions of the State's tax revenues, net of related expenses, to annually repay the debt service requirements of the remaining principal and interest at June 30, 2015, of \$3.8 billion in special obligation bonds related to the Build Illinois Program:

Table 10-1 (amounts expressed in thousands)

	Annual Revenue Amount	Total Revenue for Source
4.44% of general sales tax revenues plus \$37.8 million	\$ 507,623	\$ 11,006,405
50% of hotel operators tax	129,339	259,135
\$5 million of vehicle use tax	5,000	36,145
Total	<u><u>\$ 641,962</u></u>	<u><u>\$ 11,301,685</u></u>
Principal and interest requirements	\$ 369,980	
Percentage to principal and interest requirements	<u><u>174%</u></u>	

The annual revenue amounts are generally consistent year to year with increases or decreases related to economic conditions in the State. Additional issuances of bonds for the Build Illinois Program cannot be undertaken if the debt service exceeds 5% of the State's total sales tax revenues.

The State's Metropolitan Civic Center Support Program was implemented to provide funding for single or multi-purpose projects, the primary function of which is to provide public entertainment, exhibitions or conventions, or to provide parking facilities related thereto. Also, a portion (not to exceed \$10 million) is authorized for the purpose of making construction and improvement grants by the Secretary of State, as State Librarian, to public libraries and library systems.

The State originally pledged a portion of the State's horse racing privilege tax to repay the principal and interest at June 30, 2015, of \$77 million in special obligation bonds related to the State's Metropolitan Civic Center Support Program. Upon the abolishment of the horse racing privilege tax, the State annually uses amounts from the General Revenue Account, a sub-account of the General Fund, to pay the debt service of the special obligation bonds related to the State's Metropolitan Civic Center Support Program.

Effective July 30, 2004, special obligation bonds are to be redeemed over a period not to exceed 25 years. Previously, bonds have been issued which mature in varying amounts over periods not exceeding 30 years. Additionally, these bonds have call provisions providing for early redemption at the option of the State, beginning 10 years following the date of issuance, in whole or in part, in such order as the State shall determine and within any maturity by lot at varying premiums which decrease periodically.

Special obligation bonds outstanding and bonds authorized but unissued for governmental activities at June 30, 2015, are as follows:

Table 10-2 (amounts expressed in thousands)

**Governmental Activities**

	<b>Original Issue Amount</b>	<b>Final Maturity</b>	<b>Interest Rate Ranges</b>	<b>Public Infrastructure</b>	<b>Business Development</b>	<b>Build Illinois Education</b>
Series 1990 B	\$ 4,601	12/15/2019	Accreted*	\$ -	\$ -	\$ -
Series 1991	74,895	12/15/2020	6.25%	-	-	-
Series P	100,000	6/15/2022	6.5%	10,497	-	3,041
Series 1998	37,590	12/15/2015	5.0%	-	-	-
Series 2000	50,280	12/15/2015	5.5%	-	-	-
Series of September 2001	110,450	6/15/2020	5.375%	-	-	-
Series of April 2002	150,000	6/15/2027	6.0%	44,334	7,000	16,333
Second Series of May 2002	94,815	6/15/2020	5.5% to 5.75%	-	-	-
Series of November 2002	182,225	6/15/2022	5.25%	7,391	838	1,677
Series of March 2004	200,000	6/15/2028	5.0%	104	17	88
Series of February 2005	75,000	6/15/2029	4.25% to 5.0%	6,797	7,500	4,219
Series of June 2005	125,000	6/15/2030	5.0%	9,801	-	1,439
Series of March 2006	65,000	6/15/2026	4.375% to 5.0%	10,063	1,118	5,032
Series of June 2006	150,000	6/15/2031	4.5% to 5.0%	27,555	-	11,810
Series of July 2007	50,000	6/15/2027	5.0%	7,148	-	2,544
Series of December 2009-A	154,920	6/15/2034	4.0% to 5.0%	82,270	-	39,188
Series of December 2009-B	375,000	6/15/2034	3.00% to 5.25%	178,555	-	76,423
Series of June 2010	455,080	6/15/2021	3.0% to 5.0%	-	-	-
Series of October 2011	300,000	6/15/2036	3.0% to 5.0%	106,005	1,331	155,164
Series of May 2012	425,040	6/15/2036	1.360% to 4.08%	63,632	77,014	189,893
Series of May 2013	300,000	6/15/2037	0.75% to 3.88%	91,667	45,833	128,333
Series of June 2013	604,110	6/15/2026	4.0% to 5.0%	-	-	-
Series of March 2014	402,000	6/15/2038	0.62% to 4.62%	121,711	47,916	201,250
<b>Total</b>	<b>\$ 4,486,006</b>			<b>\$ 767,530</b>	<b>\$ 188,567</b>	<b>\$ 836,434</b>
<b>Authorized but Unissued</b>				<b>\$ 139,338</b>	<b>\$ 466,662</b>	<b>\$ 281,519</b>

\* The accreted bond is shown at its accreted value as of 6/30/15. The imputed interest rate on the capital appreciation bond is 7.4%.

Table 10-2 (amounts expressed in thousands)  
(continued)

Environment	Refunding	Civic Centers			Refunding	Principal Outstanding June 30, 2015	Amount Related to Capital Assets
		Civic Centers	Libraries				
\$ -	\$ -	\$ 28,678	\$ -	\$ -	\$ 28,678	\$ -	
-	-	24,170	3,725	-	-	27,895	-
252	-	-	-	-	-	13,790	4,458
-	-	-	-	4,525	4,525	-	
-	-	-	-	3,540	3,540	-	
-	29,245	-	-	-	29,245	795	
2,333	-	-	-	-	70,000	4,195	
-	71,030	-	-	-	71,030	26,284	
279	-	-	-	-	10,185	661	
11	-	-	-	-	220	15	
234	-	-	-	-	18,750	3,161	
-	-	-	-	-	11,240	6,542	
1,957	-	-	-	-	18,170	6,579	
-	-	-	-	-	39,365	14,554	
2,423	-	-	-	-	12,115	1,051	
1,187	-	-	-	-	122,645	-	
5,557	-	-	-	-	260,535	1,360	
-	265,805	-	-	-	265,805	24,914	
-	-	-	-	-	262,500	605	
41,371	-	-	-	-	371,910	353	
9,167	-	-	-	-	275,000	1,169	
-	511,170	-	-	-	511,170	101,850	
14,373	-	-	-	-	385,250	-	
<b>\$ 79,144</b>	<b>\$ 877,250</b>	<b>\$ 52,848</b>	<b>\$ 3,725</b>	<b>\$ 8,065</b>	<b>2,813,563</b>	<b>198,546</b>	
<b>\$ 17,783</b>	<b>Unlimited</b>	<b>\$ 161,229</b>	<b>\$ 6,275</b>	<b>Unlimited</b>			
Unamortized premiums					<b>98,440</b>	<b>13,910</b>	
<b>Total</b>					<b>\$ 2,912,003</b>	<b>\$ 212,456</b>	

Changes in special obligation bonds during the year ended June 30, 2015, are summarized in Note 8. Future special obligation debt service requirements at June 30, 2015, are as follows:

Table 10-3 (amounts expressed in thousands)				
Year Ending June 30	Governmental Activities			Total
	Principal	Interest		
2016	\$ 246,450	\$ 121,061		\$ 367,511
2017	232,480	111,665		344,145
2018	217,990	102,374		320,364
2019	205,290	93,468		298,758
2020	189,550	84,834		274,384
2021-2025	721,660	321,212		1,042,872
2026-2030	509,825	175,076		684,901
2031-2035	391,620	72,937		464,557
2036-2040	105,460	7,383		112,843
	2,820,325	\$ 1,090,010		\$ 3,910,335
Less: Unaccrued appreciation	(6,762)			
	2,813,563			
Unamortized premiums	98,440			
<b>Total</b>	<b>\$ 2,912,003</b>			

## 11 REVENUE BONDS

The State Constitution empowers certain State agencies and authorities to issue bonds that are not supported by the full faith and credit of the State. The bond indentures include a pledge from these agencies and authorities that income derived from acquired or constructed assets be used to retire the debt and service related interest. Bonds outstanding at June 30, 2015 (except for the Illinois State Toll Highway Authority, which is as of December 31, 2014), net of unamortized discounts, unamortized deferred amount on bond refunding, and unamortized bond premiums are as follows:

Table 11-1 (amounts expressed in thousands)				
Fund Type/Agency	Amount Outstanding	Outstanding Interest Rates	Annual Maturity To	
<b>Primary Government Governmental Activities</b>				
Blended component unit:				
Railsplitter Tobacco Settlement Authority	\$ 1,237,731	3.000% to 6.250%		2028
<b>Business-type Activities</b>				
Major enterprise fund:				
Illinois Department of Employment Security	654,868	2.000% to 5.000%		2020
Nonmajor enterprise fund:				
Illinois Designated Account Purchase Program	270,397	1.177% to 1.327%		2045
<b>Major Component Units</b>				
Illinois Housing Development Authority	1,049,902	0.030% to 25.000%		2051
Illinois State Toll Highway Authority	5,417,189	0.040% to 5.851%		2039
Illinois State University	91,385	1.300% to 5.000%		2033
Northern Illinois University	191,512	3.000% to 8.147%		2041
Southern Illinois University	275,418	1.000% to 6.200%		2036
University of Illinois	1,377,213	0.060% to 12.000%		2044

Changes in revenue bonds during the year ended June 30, 2015, are summarized in Note 8. Revenue bond debt service requirements, principal and interest as of June 30, 2015, are as follows:

Table 11-2 (amounts expressed in thousands)							
Primary Government		Governmental Activities		Business-type Activities			
Year Ending June 30	Railsplitter Tobacco		Illinois Department of Employment Security		Illinois Designated Account Purchase Program		
	Principal	Interest	Principal	Interest	Principal	Interest	
2016	\$ 80,655	\$ 68,028	\$ 176,690	\$ 29,524	\$ -	\$ 3,440	
2017	84,700	64,184	185,635	20,698	-	3,440	
2018	89,040	59,949	194,845	11,373	-	3,440	
2019	93,620	55,496	61,095	1,527	-	3,440	
2020	98,565	50,782	-	-	-	3,440	
2021-2025	529,215	169,637	-	-	122,655	12,038	
2026-2030	257,060	27,909	-	-	-	9,063	
2031-2035	-	-	-	-	-	9,063	
2036-2040	-	-	-	-	-	9,063	
2041-2045	-	-	-	-	-	9,063	
2046	-	-	-	-	154,000	121	
	<u>1,232,855</u>	<u>\$ 495,985</u>	<u>618,265</u>	<u>\$ 63,122</u>	<u>276,655</u>	<u>\$ 65,611</u>	
Unamortized premiums	4,876		36,603		-		
Unamortized (discounts)					(6,258)		
<b>Total</b>	<b><u>\$ 1,237,731</u></b>		<b><u>\$ 654,868</u></b>		<b><u>\$ 270,397</u></b>		

Table 11-3 (amounts expressed in thousands)

Major Component Units		Illinois Housing Development Authority		Illinois State Toll Highway Authority		Illinois State University	
Year Ending June 30		Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 30,062	\$ 28,186	\$ 97,795	\$ 236,415	\$ 7,195	\$ 3,644	
2017	33,230	26,787	138,135	244,196	3,950	3,600	
2018	34,085	30,690	158,060	238,432	4,070	3,464	
2019	32,561	32,656	113,160	232,024	4,215	3,314	
2020	33,489	31,666	118,780	226,104	4,375	3,153	
2021-2025	165,964	140,530	684,240	1,030,447	24,735	12,916	
2026-2030	202,626	109,037	1,145,445	828,761	30,550	7,090	
2031-2035	218,048	74,122	1,566,055	551,938	12,675	956	
2036-2040	161,401	36,290	1,097,100	152,626	-	-	
2041-2045	119,441	10,473	-	-	-	-	
2046-2050	15,905	1,427	-	-	-	-	
2051-2055	1,790	51	-	-	-	-	
	<u>1,048,602</u>	<u>\$ 521,915</u>	<u>5,118,770</u>	<u>\$ 3,740,943</u>	<u>91,765</u>	<u>\$ 38,137</u>	
Less: Unaccrued appreciation	(1)		-		(244)		
	<u>1,048,601</u>		<u>5,118,770</u>		<u>91,521</u>		
Unamortized premiums	2,310		305,227		467		
Unamortized (discounts)	(1,009)		(6,808)		(603)		
<b>Total</b>	<b><u>\$ 1,049,902</u></b>		<b><u>\$ 5,417,189</u></b>		<b><u>\$ 91,385</u></b>		

Table 11-3 (amounts expressed in thousands)  
(continued)

**Major Component Units, continued**

Year Ending June 30	Northern Illinois University		Southern Illinois University		University of Illinois	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 3,900	\$ 13,295	\$ 19,805	\$ 9,417	\$ 57,320	\$ 54,282
2017	3,905	13,288	19,000	8,870	54,870	52,462
2018	4,065	13,129	20,780	8,429	55,440	51,036
2019	4,265	12,926	18,780	7,907	56,160	49,484
2020	4,480	12,713	19,480	7,328	58,780	47,753
2021-2025	26,090	59,869	88,155	28,094	292,765	205,917
2026-2030	33,710	52,052	76,945	14,903	272,770	146,507
2031-2035	43,330	38,352	27,780	4,730	237,205	88,345
2036-2040	55,890	19,038	2,480	124	133,550	42,251
2041-2045	12,050	982	-	-	126,930	12,100
	<u>191,685</u>	<u>\$ 235,644</u>	<u>293,205</u>	<u>\$ 89,802</u>	<u>1,345,790</u>	<u>\$ 750,137</u>
Less: Unaccreted appreciation	(173)		(26,791)		(33,988)	
	<u>191,512</u>		<u>266,414</u>		<u>1,311,802</u>	
Unamortized premiums	-		9,004		65,411	
<b>Total</b>	<b>\$ 191,512</b>		<b>\$ 275,418</b>		<b>\$ 1,377,213</b>	

All but \$109 thousand of the \$1.050 billion of outstanding Illinois Housing Development Authority (“IHDA”) revenue bonds do not require the Governor to include in the State budget the amount necessary for payment of principal and interest. Payment of principal and interest on IHDA bonds are debt of various entities and are guaranteed from pledged revenues of the properties and assets within its issuance resolutions. Furthermore, a portion of the IHDA bonds are additionally secured by a form of credit enhancement such as a municipal bond insurance policy or a direct pay letter of credit on its payment of principal and interest.

#### A. *Railsplitter Tobacco Settlement Authority (“RTSA”)*

The RTSA was created on July 1, 2010, under the Railsplitter Tobacco Settlement Authority Act (30 ILCS 171). RTSA issued \$1.503 billion of Tobacco Settlement Revenue Bonds, Series 2010 (“the bonds”) on December 8, 2010. The bonds were issued as fixed interest rate, fixed scheduled amortization, serial and term bonds with maturities ranging from 2012 through 2028. The fixed interest rates range from 3.0% through 6.25%. Proceeds of the bonds were used to pay issuance costs and to provide an approximate \$1.350 billion payment to the State in exchange for rights to 100 percent of the State’s future Tobacco Settlement Revenues (TSRs) through the final maturity date of the bonds in 2028. The \$1.350 billion payment was used by the State to pay outstanding obligations of the General Revenue Fund. The bond proceeds have been deferred and will be recognized as an expense ratably over the life of the bonds. As of June 30, 2015, the deferred amount is \$809.538 million.

The total TSRs sold, based on the projected payment schedule in the Master Settlement Agreement, adjusted for historical trends, is estimated to be \$4.125 billion. The RTSA has pledged the future TSRs, net of specified operating expenditures, to repay the bonds. Annual principal and interest on the bonds are expected to require on average, less than 60% of the net TSRs. The total principal and interest remaining to be paid on the bonds is approximately \$1.729 billion. The total principal and interest paid for the current year and total TSRs received were \$148.689 million and \$265.019 million, respectively.

As part of the consideration for the sale to the RTSA by the State of the pledged settlement payments, the RTSA issued a residual certificate to the State. In accordance with the provisions of the trust indenture, upon payment in full of the deposits required by the trust indenture, the remaining balance of pledged revenues shall be transferred to the State as owner of the residual

certificate. Residuals are expected to be approximately \$1.784 billion. During the year ended June 30, 2015, \$115.691 million of residual revenues was paid to the State and \$57.296 million was recorded as a liability to the State at year-end.

## ***B. Demand and Variable Rate Bonds***

### **Primary Government**

#### ***Illinois Designated Account Purchase Program (“IDAPP”)***

The majority of IDAPP’s \$270.397 million of outstanding revenue bonds at June 30, 2015, are variable rate bonds that have their interest rates reset quarterly. The actual interest rates for these LIBOR Floating Rate Notes were used in calculating the future interest payments.

### **Major Component Units**

#### ***Illinois Housing Development Authority (“IHDA”)***

Included within the IHDA’s outstanding revenue bonds are \$46.265 million of Homeowner Mortgage Revenue Bonds Series 2004C3, 2014A4 and 2014A5, and \$68.680 million of Housing Bonds Series 2008A, 2008B, 2008C, and 2015A3 which are variable rate demand bonds. Interest rates on these bonds are determined weekly at a rate established by the remarketing agent on each rate determination date. In addition, \$11.340 million of Homeowner Mortgage Revenue Bonds Series 2001F and 2002B are also variable rate, but not demand bonds. Interest rates on these bonds are based on a floating rate determined on a monthly basis and paid either monthly or semi-annually. On the variable rate demand bonds, IHDA has agreements with liquidity providers to purchase any bonds tendered for purchase in accordance with the indentures. For additional security, IHDA has entered into risk management agreements to hedge against interest rate risks on one series of bonds and wrapped credit enhancements on three series of bonds (see Note 14—Derivatives).

#### ***Illinois State Toll Highway Authority (“THA”)***

As of December 31, 2014, the THA had outstanding variable rate demand bonds in the amount of \$123.100 million of Series 1998B bonds, \$700.000 million of Series 2007 A-1 and A-2 bonds, and \$478.900 million of Series 2008 A-1 and A-2 bonds. These bonds have final maturities in 2017, 2030 and 2031, respectively, and bear interest rates that are reset weekly by remarketing agents at rates not to exceed 25%, 15% and 12%, respectively. These bonds are subject to tender for purchase by bondholders at a price equal to the principal plus accrued interest, upon a minimum seven days’ notice from the bondholder to the remarketing agent. The THA has agreements with liquidity providers to purchase any bonds so tendered for purchase that fail to be remarketed and to hold such bonds until either remarketed or paid by THA per the terms of the liquidity agreements. For the Series 1998B and Series 2008 A-1 and A-2 bonds, financial guarantee insurance policies obtained by THA guarantee the payment of principal and interest on the scheduled bond interest payment and maturity dates and on certain payment dates specified in the liquidity agreements. The THA has an obligation to reimburse the insurer for any such payments made.

#### ***University of Illinois (“U of I”)***

The U of I had outstanding variable rate demand bonds in the amount of \$14.400 million for the Series 1997B bonds, \$93.880 million for the three Series 2008 bonds, and \$50 million for the

Series 2014C bonds. These bonds have final maturities in 2026, 2038, 2026, 2022, and 2044, respectively, and bear interest rates as determined by the remarketing agents on each rate determination date not to exceed 12% on all of the bond series. These bonds are subject to redemption if tendered by the holder at a price equal to the principal plus accrued interest upon notice and delivery to the remarketing agent. The U of I has agreements with liquidity or credit providers to purchase any bonds so tendered for purchase in accordance with the indentures with respect to which the Trustee does not, on the date any such tendered bonds are required to be purchased, have sufficient funds to make such purchase. The U of I has obtained a letter of credit or relies on its own credit to guarantee the payment of principal and interest on the scheduled maturity dates. The U of I has an obligation to reimburse the letter of credit issuer for any such payments made.

### ***Derivatives***

IHDA, THA, and U of I all have entered into various interest rate swap agreements. Details of these agreements are discussed in Note 14—Derivatives.

### ***C. Build America Bonds***

The THA, Northern Illinois University (“NIU”) and Southern Illinois University (“SIU”) have issued Build America Bonds under the American Recovery and Reinvestment Act of 2009 (the “ARRA”). Pursuant to the ARRA, THA, NIU, and SIU expect to receive cash subsidy payments from the United States Treasury on or about each interest payment date (the “Subsidy Payments”). These Subsidy Payments do not constitute the full faith and credit guarantee of the United States Government, but are required to be paid by the United States Treasury under the ARRA. Such payments are not pledged to secure payment of the Bonds. The holders of the Bonds are not entitled to a tax credit as a result of the ownership of the Bonds.

### ***D. Conduit Debt (not included in financial statements)***

The State of Illinois, by action of the General Assembly, created various authorities for the express purpose of providing private entities with an available low cost source of capital financing for construction of facilities deemed to be in the public interest. Fees are assessed to recover related processing and application costs incurred. Bonds issued by the authorities represent limited obligations payable solely from payments made by the borrowing entities. The majority of the bonds are secured by the property financed. Upon repayment of a bond, ownership of acquired property transfers to the entity served by the bond issuance. The State has no obligation for this debt. Accordingly, these bonds are not reflected in the accompanying financial statements.

At June 30, 2015, recorded amounts of revenue bonds, net of defeased bonds, and notes outstanding as reported by authority officials are as follows:

Table 11-4 (amounts expressed in thousands)

Authority	Amount Outstanding	Annual Maturity To
Illinois Finance Authority	\$ 23,507,580	2052
Illinois Housing Development Authority	575,703	2055
Southwestern Illinois Development Authority	757,110	2048
Upper Illinois River Valley Development Authority	82,111	2045
Total	<u>\$ 24,922,504</u>	

## 12 NOTES PAYABLE/SHORT-TERM BORROWINGS

### A. Notes Payable

The State's major component units have obtained notes payable, normally secured by specific revenue sources, to provide financing. Outstanding notes payable at June 30, 2015, were as follows:

Table 12-1 (amounts expressed in thousands)

Fund Type/Agency	Amount Outstanding	Interest Rates	Maturity Date
<b>Major Component Units</b>			
Illinois Housing Development Authority	\$ 34,080	0.85% to 2.70%	2027
Northern Illinois University	181	4.00%	2019
	<u>\$ 34,261</u>		

Changes in notes payable during the year ended June 30, 2015, are summarized in Note 8. Future notes payable debt service requirements as of June 30, 2015, are as follows:

Table 12-2 (amounts expressed in thousands)

#### Major Component Units

Year Ending June 30	Illinois Housing Development Authority		Northern Illinois University	
	Principal	Interest	Principal	Interest
2016	\$ 147	\$ 521	\$ 37	\$ 7
2017	24,271	411	39	5
2018	161	259	41	3
2019	168	255	43	2
2020	174	250	21	-
2021-2025	995	1,173	-	-
2026-2030	8,164	532	-	-
	<u>\$ 34,080</u>	<u>\$ 3,401</u>	<u>\$ 181</u>	<u>\$ 17</u>

### B. Short-Term Borrowings

#### Primary Government – Business-type Activities

The Illinois Designated Account Purchase Program (“IDAPP”) has a short-term revolving credit line agreement. The revolving credit line was used to purchase eligible student loans (guaranteed or insured or an eligible loan under the Higher Education Act). The credit line expired on September 8, 2008, resulting, by terms of the Indenture, in the commencement of the Liquidation Period. On July 27, 2010, the final maturity date under the credit line agreement, the credit line agreement became payable and due. Due in part to conditions currently existing in the credit markets, IDAPP has been unable to refinance this debt and is currently in payment default under the credit line agreement. In addition, IDAPP is in breach of the coverage condition ratio defined

in the indenture. The breaches qualify as an Event of Termination under which the lender would be eligible for remedies under the indenture. The lender has not exercised its remedies to date. Conversations are ongoing with the lender to resolve the issues discussed. The \$183.557 million outstanding under this line is shown as current at June 30, 2015.

Under terms of the agreement, all revenues generated by the underlying student loan portfolio are transferred to a trust. The trust then pays all expenses related to the debt service and student loan servicing costs (capped at 65 basis points of the outstanding average balance of the portfolio). During fiscal year 2015, \$24.559 million of principal and \$6.378 million of interest was collected, all of which was transferred to the trust. During the same period, the trust paid \$1.132 million for interest expense and other professional fees and \$1.580 million for servicing fees.

### **Major Component Units**

#### ***University of Illinois (“U of I”)***

The U of I Foundation has a \$15 million unsecured line of credit to a bank, due February 2018, with a negotiated interest rate in irregular intervals (1.035% at June 30, 2015). The line of credit is to be used to purchase property that is to be held for the U of I. The \$3.257 million outstanding under this line is shown as current at June 30, 2015.

Changes in short-term borrowing during the year ended June 30, 2015, are as follows:

Table 12-3 (amounts expressed in thousands)

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
<b>Primary Government</b>				
<b>Business-type Activities</b>				
Nonmajor enterprise funds	<u>\$ 211,857</u>	<u>\$ -</u>	<u>\$ (28,300)</u>	<u>\$ 183,557</u>
<b>Major Component Units</b>				
University of Illinois	<u>\$ 2,057</u>	<u>\$ 2,500</u>	<u>\$ (1,300)</u>	<u>\$ 3,257</u>

## 13 OTHER LONG-TERM OBLIGATIONS

Other long-term obligations reported in the government-wide statements and disclosed below are as follows:

Table 13-1 (amounts expressed in thousands)								
Primary Government		Business-type Activities						
Description	Reference	Governmental Activities	Water Revolving Fund	Prepaid Tuition Fund	Nonmajor Enterprise Funds	Fiduciary Funds		
Capital lease obligations	(A)	\$ 7,244	\$ 26	\$ -	\$ -	\$ -	\$ 20	
Certificates of participation	(B)	33,060	-	-	-	-	-	
Installment purchase obligations	(C)	442	-	-	-	-	-	
Pollution remediation obligations	(D)	29,550	-	-	-	-	-	
Obligations to Lottery Prize Winners	(E)	-	-	-	272,727	-	-	
Prepaid Tuition Fund obligations	(F)	-	-	1,320,202	-	-	-	
Other obligations	(G)				8,160			
<b>Total Other Long-Term Obligations</b>		<b>\$ 70,296</b>	<b>\$ 26</b>	<b>\$ 1,320,202</b>	<b>\$ 280,887</b>	<b>\$ 20</b>		

Table 13-2 (amounts expressed in thousands)						
Major Component Units		Illinois State Toll Highway Authority	Illinois State University	Northern Illinois University	Southern Illinois University	University of Illinois
Description	Reference					
Capital lease obligations	(A)	\$ -	\$ 508	\$ 132,706	\$ 4,992	\$ 6,762
Certificates of participation	(B)	-	53,518	14,876	41,923	282,526
Installment purchase obligations	(C)	-	2,817	-	-	-
Other obligations	(G)	130	280	33,514	3,136	101,568
<b>Total Other Long-Term Obligations</b>		<b>\$ 130</b>	<b>\$ 57,123</b>	<b>\$ 181,096</b>	<b>\$ 50,051</b>	<b>\$ 390,856</b>

### A. Lease Commitments

The State has entered into various capital leases for land, office facilities, office and computer equipment, and other assets. Although lease terms vary, certain leases are renewable subject to appropriation by the General Assembly. If renewal is reasonably assured, leases requiring appropriation by the General Assembly are considered noncancelable leases for financial reporting purposes. Information regarding operating leases is included in Note 20.

At June 30, 2015, assets capitalized under capitalized leases are as follows:

Table 13-3 (amounts expressed in thousands)			
Primary Government			
	Governmental Activities	Business-Type Activities	Fiduciary Funds
Buildings and building improvements	\$ 8,944	\$ -	\$ -
Equipment	9,670	27	47
	18,614	27	47
Less: Accumulated depreciation	10,167	1	23
	<b>\$ 8,447</b>	<b>\$ 26</b>	<b>\$ 24</b>

Table 13-4 (amounts expressed in thousands)

**Major Component Units**

	Illinois State University	Northern Illinois University	Southern Illinois University	University of Illinois
Land and land improvements	\$ -	\$ -	\$ 288	\$ -
Buildings and building improvements	1,087	133,555	-	4,920
Equipment	941	1,762	6,676	19,409
	2,028	135,317	6,964	24,329
Less: Accumulated depreciation	1,207	13,674	2,259	11,792
	<u>\$ 821</u>	<u>\$ 121,643</u>	<u>\$ 4,705</u>	<u>\$ 12,537</u>

Future minimum commitments for non-cancelable capital leases as of June 30, 2015, are as follows:

Table 13-5 (amounts expressed in thousands)

**Primary Government**

Year Ending June 30	Capitalized Leases											
	Governmental Activities				Business Type Activities				Fiduciary Funds			
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 2,525	\$ 629	\$ 8	\$ 2	\$ 15	\$ 2						
2017	2,113	358	9	1	5	-						
2018	1,919	140	9	-	-	-						
2019	662	34	-	-	-	-						
2020	25	1	-	-	-	-						
Total minimum lease payments	<u>\$ 7,244</u>	<u>\$ 1,162</u>	<u>\$ 26</u>	<u>\$ 3</u>	<u>\$ 20</u>	<u>\$ 2</u>						

Table 13-6 (amounts expressed in thousands)

**Major Component Units**

Year Ending June 30	Illinois State University				Northern Illinois University				Southern Illinois University				University of Illinois	
	Principal		Interest		Principal		Interest		Principal		Interest		Principal	Interest
2016	\$ 508	\$ 14	\$ 1,482	\$ 8,805	\$ 1,771	\$ 78	\$ 2,602	\$ 124						
2017	-	-	1,208	8,759	1,709	50	2,319	72						
2018	-	-	1,530	8,697	1,221	23	1,400	32						
2019	-	-	1,823	8,618	291	5	344	8						
2020	-	-	2,221	8,525	-	-	97	2						
2021-2025	-	-	12,992	40,660	-	-	-	-						
2026-2030	-	-	17,375	35,994	-	-	-	-						
2031-2035	-	-	24,150	29,227	-	-	-	-						
2036-2040	-	-	69,925	26,154	-	-	-	-						
Total minimum lease payments	<u>\$ 508</u>	<u>\$ 14</u>	<u>\$ 132,706</u>	<u>\$ 175,439</u>	<u>\$ 4,992</u>	<u>\$ 156</u>	<u>\$ 6,762</u>	<u>\$ 238</u>						

### B. Certificates of Participation

**State-issued Certificates of Participation** - The State is authorized to issue certificates of participation (“Certificates”) representing the right to receive a proportionate share in lease-purchase or installment purchase payments to be made for the benefit of State agencies for the acquisition or improvement of real or personal property, refinancing of such property, payment of expenses of such property or payment of expenses related to the issuance. The outstanding balance of the State-issued Certificates included in the governmental activities financial statements as of June 30, 2015 was \$8.805 million.

Certain major component units have also issued Certificates representing the right to receive a proportionate share of lease-purchase or installment payments. All of these Certificates issued by major component units are considered State-issued. The outstanding balance of these Certificates as of June 30, 2015 was \$392.842 million, which includes unamortized premiums of \$13.009 million and unamortized discounts of \$241 thousand and is included in the component unit financial statements.

**Non-State-issued Certificates of Participation** - The State also finances the purchase of certain State-owned real and personal property through third party (non-State-issued) Certificates. These non-State-issued Certificates are sold by private concerns and are repaid by State agency appropriations pursuant to installment purchase agreements. The outstanding balance of non-State-issued Certificates included in the governmental activities financial statements as of June 30, 2015 was \$24.255 million.

Future commitments by the State to make installment payments to pay for the assets acquired and related financing costs for State-issued and non-State-issued Certificates at June 30, 2015, are as follows:

Table 13-7 (amounts expressed in thousands)

**Primary Government  
Governmental Activities**

Year Ending June 30	Certificates of Participation					
	State-Issued		Non-State-Issued		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 2,750	\$ 451	\$ 5,940	\$ 1,261	\$ 8,690	\$ 1,712
2017	2,915	278	6,305	896	9,220	1,174
2018	3,140	96	6,675	511	9,815	607
2019	-	-	2,590	236	2,590	236
2020	-	-	2,745	80	2,745	80
	<u>\$ 8,805</u>	<u>\$ 825</u>	<u>\$ 24,255</u>	<u>\$ 2,984</u>	<u>\$ 33,060</u>	<u>\$ 3,809</u>

Table 13-8 (amounts expressed in thousands)

**Major Component Units**

Year Ending June 30	Certificates of Participation							
	Illinois State University		Northern Illinois University		Southern Illinois University		University of Illinois	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 2,645	\$ 2,139	\$ 1,490	\$ 612	\$ 2,155	\$ 1,652	\$ 27,460	\$ 11,428
2017	2,710	2,050	2,330	522	2,210	1,592	30,525	10,210
2018	2,795	1,959	1,060	446	2,285	1,515	31,845	8,856
2019	2,885	1,864	1,105	402	2,360	1,435	33,275	7,467
2020	2,985	1,766	1,150	357	2,450	1,352	34,770	6,006
2021-2025	16,805	7,102	6,630	874	12,330	5,266	91,405	13,444
2026-2030	14,900	3,457	65	1	8,670	3,244	22,280	1,566
2031-2035	7,985	807	-	-	8,515	1,015	-	-
	<u>53,710</u>	<u>\$ 21,144</u>	<u>13,830</u>	<u>\$ 3,214</u>	<u>40,975</u>	<u>\$ 17,071</u>	<u>271,560</u>	<u>\$ 58,977</u>
Unamortized premiums	49		1,046		948		10,966	
Unamortized (discounts)	(241)		-		-		-	
	<u><u>\$ 53,518</u></u>		<u><u>\$ 14,876</u></u>		<u><u>\$ 41,923</u></u>		<u><u>\$ 282,526</u></u>	

**C. Installment Purchase Obligations**

The State has acquired certain land, office facilities, office and computer equipment, and other assets through installment purchase arrangements. Future commitments under installment purchase contracts as of June 30, 2015, are as follows:

Table 13-9 (amounts expressed in thousands)

**Primary Government**

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2016	\$ 406	\$ 27	\$ 433
2017	36	-	36
	<u>\$ 442</u>	<u>\$ 27</u>	<u>\$ 469</u>

Table 13-10 (amounts expressed in thousands)

**Major Component Unit**

Year Ending June 30	Illinois State University		
	Principal	Interest	Total
2016	\$ 90	\$ 180	\$ 270
2017	96	174	270
2018	102	168	270
2019	2,529	14	2,543
	<u>\$ 2,817</u>	<u>\$ 536</u>	<u>\$ 3,353</u>

**D. Pollution Remediation Obligations**

Tracts of land near Ottawa, Illinois were donated to the State more than 50 years ago for public purposes. Several years later, the State discovered that other parties had dumped radioactive waste on the land, before it was donated to the State. The State advised the United States

Environmental Protection Agency (“USEPA”) of the situation and the land was transferred to the Illinois Emergency Management Agency for clean-up.

Although the State was not culpable for the creation of the hazard, federal law makes it, as the owner, a potentially responsible party along with the corporations that did the dumping. These corporations are defunct and in recognition of the State’s lack of culpability, the USEPA has currently estimated the clean-up to the site and adjacent property to cost approximately \$70 million. The State has estimated its portion of the liability for the clean-up to be \$29.150 million.

The Illinois Department of Transportation has recorded building demolition, pollution remediation obligations for investigations, remediation of contaminated soils and installation of groundwater monitoring wells, and treatment and removal of copper slag with a balance at June 30, 2015, of \$400 thousand.

#### **E. Obligations to Lottery Prize Winners**

The State has obligations to certain lottery prize winners for awards payable in annual installments ranging from nineteen years to the life of the prize winner, with the first payment being made after the claim is presented for payment. For certain prize winners, annuities were purchased in the name of the State for which the State has retained the rights of ownership. Effective July 30, 1985, State law provides that the State Treasurer, with the consent of the Director of the Department of Lottery, may contract to invest in securities, which provide payments corresponding to its obligation to these winners. The present value of these liabilities owed to prize winners, approximating \$382 thousand, have been reported in the financial statements of the State Lottery Fund, a nonmajor enterprise fund.

In addition to the prize obligations discussed above, the State has provided for other payments corresponding to its obligation to prize winners through the purchase of direct obligations of the federal government, primarily in the form of United States Treasury zero coupon bonds. As established by State law, such securities shall be maintained separate and apart from all public money of funds of the State. These investments are purchased in amounts to provide for annual annuity payments to the prize winner(s) of each qualifying individual drawing. The fair value of the investments held totaled \$301.277 million at June 30, 2015, with interest rates ranging from 1.8% to 7.7%. The present value of these liabilities owed to prize winners, approximating \$272.345 million, have been reported in the financial statements of the State Lottery Fund, a nonmajor enterprise fund.

Future commitments of prizes payable as of June 30, 2015, are as follows:

Table 13-11 (amounts expressed in thousands)		
<b>Primary Government Business-type Activities</b>		<b>State Lottery Fund Amount</b>
<b>Year Ending June 30</b>		
2016		\$ 37,139
2017		29,341
2018		21,960
2019		20,335
2020		20,225
2021-2038		242,082
		371,082
Less: Present value adjustments		(98,355)
Present value of future prizes		<u><u>\$ 272,727</u></u>

**F. Prepaid Tuition Fund Obligations**

Tuition payable in the Illinois Prepaid Tuition Fund, a major enterprise fund, as of June 30, 2015, represents net principal payments received for contracts held by the fund in the amount of \$1,320.202 million, of which \$163.506 million is considered current. Included in the tuition payable is an amount for accretion, which is the present value of payments to be made in excess of the principal payments received from investments of the tuition contracts. The accretion expense is estimated as a percentage of net tuition costs paid to date. It is calculated on an annual basis on the balance in the tuition payable account.

**G. Other Obligations****Primary Government - Business-type Activities**

Other nonmajor enterprise funds presented other obligations in the amount of \$8.160 million. These obligations, consisting mostly of future workers' compensation benefit payments for self-insured companies, are expected to be paid with current resources of the reporting fund.

**Major Component Units**

Major component units presented other miscellaneous obligations in the amount of \$138.628 million. These obligations will be liquidated from resources of the reporting major component unit.

**14 DERIVATIVES****Hedging Derivatives - Primary Government - Governmental Activities**

On October 30, 2003, the State of Illinois issued a total of \$963 million of tax exempt general obligation new and refunding bonds in two series: \$363 million fixed rate bonds maturing through 2020 ("2003A bonds") and \$600 million variable rate demand bonds maturing in years 2020 through 2033 ("2003B bonds"). To assure the continuing ability to place the variable rate demand bonds with investors, the State secured a liquidity facility from Depfa Bank, PLC (the "Liquidity Provider") for the principal amount, paying 0.32% of the notional value of the outstanding 2003B bonds.

Pursuant to Public Act 93-9, the State simultaneously entered into Interest Rate Exchange Agreements ("Agreements") with five counterparties under substantially identical terms, to create a net fixed rate debt service obligation on the 2003B bonds. All are considered to be cash flow hedges. The Agreements together with the issuance of the 2003B bonds as variable rate debt produced a synthetic fixed rate on the bonds that was expected to provide a lower rate than what was available in the primary market, if the State issued traditional fixed rate bonds.

The Agreements were entered into pursuant to the Interest Rate Risk Management Policy ("Policy"), as required by the General Obligation Bond Act, 30 ILCS 330/9 *et seq.* Pursuant to the Policy, the Agreements and the 2003B bonds in combination are not counted against the variable rate debt limit of the State, since variable interest paid on the 2003B bonds and variable interest received under the Agreements were designed to be equivalent, thus resulting in a net synthetic fixed rate obligation.

In November 2013, the State replaced Depfa Bank, PLC with a syndicate of five banks. Under the new Letter of Credit agreement, the State will pay the syndicate 2.35% of the outstanding par amount of the bonds. Although the new fee is substantially higher than Depfa's 0.32% fee, the State has experienced a nominal increase of 0.04% in its total cost, reflecting lower interest rates the State pays for the bonds due to the higher credit ratings of the bank syndicate.

Details of the Agreements are summarized below:

Associated Bond Issue (1)	Notional Amounts	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Values (2)	Change in Fair Value	Swap Termination Date	Counterparty Credit Rating (3)
<b>Primary Government</b>								
<b>Governmental Activities</b>								
<b>Interest Rate Swap Contracts</b>								
Series 2003B General Obligation Bonds	\$ 384,000 54,000 54,000 54,000 54,000	10/03 10/03 10/03 10/03 10/03	3.890% 3.890% 3.890% 3.890% 3.890%	67% of 1 mo. LIBOR <sup>^M</sup> when 1 mo. LIBOR <sup>^M</sup> is ≥ 2.5%, or SIFMA <sup>A</sup> ; when 1 mo. LIBOR <sup>M</sup> is < 2.5%	\$ (84,441) (11,239) (11,538) (11,538) (11,703)	\$ (130,459)	10/33 10/33 10/33 10/33 10/33	BBB+/A3/A A-/Baa1/A- A/A1/A+ A-/Baa1/A A+/Aa3/AA-
	<b>\$ 600,000</b>				<b>\$ (6,674)</b>			
<sup>A</sup> Securities Industry and Financial Market Association								
<sup>M</sup> London Interbank Offered Rate								
(1) All bond issues are tax-exempt debt instruments.								
(2) Includes accrued interest.								
(3) Credit rating companies: Standard and Poor's (S&P)/Moody's Investors Services/Fitch Rating Services								

Mark-to-Market valuations shown above are received by the State from each of the counterparties. Each firm has its own proprietary method of deriving valuations and there are no guarantees that actual trades could be completed at such values. At the end of the fiscal year, the variable rate received by the State was the SIFMA rate (0.07% was in effect on June 30, 2015) as the LIBOR rate was below 2.5%.

During all of fiscal year 2015, the floating rate received was SIFMA. The payments under the Agreement are computed on a notional amount, equal to the 2003B bonds' principal outstanding and reduces in conjunction with the amortization of principal. Further, the frequency of rate resets of the 2003B bonds and the Agreements are identical, currently resetting weekly.

The fair value balance of the derivatives and related changes during the fiscal year are shown on the Government-wide Statement of Net Position under derivative instrument liabilities and deferred outflows of resources, respectively.

## Risks

### Credit risk

As of June 30, 2015, the State was not exposed to credit risk because the swap agreements had a negative fair value. If interest rates change and the fair value of the swaps become positive, the State would be exposed to credit risk. If the State wished to exit from the Agreements, the counterparties may not have the resources to pay that positive value to the State. If the credit ratings of the State or the Letter of Credit providers deteriorate, the amount of floating rate interest on the 2003B general obligation bonds may increase relative to the amount of the floating index received under the Agreements, thus requiring the State to pay any difference or shortfall. This payment will result in the projected savings of the synthetic rate structure not being realized. Note that since the Letters of Credit were executed, the bonds have traded with no spread over the

floating rate index. If the credit ratings of the State or Letter of Credit providers improve, the floating interest rate paid on the bonds and received under the Agreements would not change.

***Interest rate risk***

During fiscal year 2015, declining interest rates adversely affected the fair value of the Agreements.

***Basis risk***

Since the floating rate index under the Agreement is based on LIBOR (when LIBOR is greater than 2.5%), the State bears exposure to changing interest rate relationships between tax exempt and taxable debt markets. Should the value of tax exempt interest decrease in relation to taxable interest (as a result of a further lowering of income tax rates among other causes), tax exempt interest rates may rise (which the State pays on its 2003B general obligation bonds in the form of SIFMA) in relation to the floating interest rate index (which the State receives under the Agreements in the form of 67% of one month LIBOR when the Agreement is in LIBOR mode). If this were to occur, the State would pay any difference or shortfall. Conversely, if the value of tax exempt interest relative to taxable interest were to increase such that tax exempt interest rates decrease when compared to 67% of one month LIBOR (when the Agreements are in LIBOR mode), the floating index received under the Agreements could exceed the amount of interest required for the 2003B bonds, resulting in additional receipts for the State.

***Termination risk***

Should the State or a counterparty fail to perform under the terms of the Agreement, there may be a termination of the Agreement. In such an event the State may incur an unhedged variable rate position with its 2003B general obligation bonds and potentially owe a net termination payment if the market value of the contract is negative. Posting collateral by the counterparty (in the form of cash, unconditional Treasury obligations or Treasury guaranteed agency securities), if required by the credit rating of the counterparty, protects the State's interest against the counterparty's failure when the market value is in favor of the State. The State is never required to post collateral when the value is in favor of the counterparty (as is the case as of June 30, 2015).

***Rollover risk***

All of the swap agreements discussed above have been structured to protect the State from exposure to rollover risk. The Letter of Credit Agreement has a three-year term with options for renewal for two one-year terms that must be mutually agreed to. Movement in the State's credit rating may subject it to an increase/decrease in facility fees when procuring a new Letter of Credit.

As of June 30, 2015, debt service requirements of outstanding variable rate debt and net swap payments, assuming interest rates remain at current levels, for their terms are as follows:

Table 14-2 (amounts expressed in thousands)						
<b>Swap Payments and Associated Debt</b>						
<b>Variable Rate Debt</b>						
<b>Primary Government</b>		<b>Governmental Activities</b>				
<b>Year Ending</b>	<b>June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Interest Rate</b>		
				<b>Swaps, Net</b>		<b>Total</b>
2016	\$ -	\$ 420	\$ 22,920	\$ 23,340		
2017	-	420	22,920	23,340		
2018	-	420	22,920	23,340		
2019	-	420	22,920	23,340		
2020	-	420	22,920	23,340		
2021-2025	261,400	1,622	88,498	351,520		
2026-2030	240,500	844	46,067	287,411		
2031-2034	98,100	156	8,513	106,769		
<b>Total</b>	<b>\$ 600,000</b>	<b>\$ 4,722</b>	<b>\$ 257,678</b>	<b>\$ 862,400</b>		

As rates vary, variable rate bond interest payments and net swap payments will vary.

### **Investment Derivatives - Pensions**

Certain State agencies, principally the Illinois State Board of Investment (“ISBI”), the Teachers’ Retirement System (“TRS”), and the State Universities Retirement System (“SURS”), invest in derivative securities. These derivative securities have been authorized by the policies of the applicable State agencies and the Illinois Compiled Statutes. ISBI, TRS, and SURS invest in the following types of derivatives: foreign currency forward contracts, rights, warrants, financial futures, financial options, swaps, and swaptions.

Foreign currency forward contracts are used to hedge against the currency risk in agencies’ foreign stock and fixed income security portfolios. Foreign currency forward contracts are agreements to purchase or sell a specific amount of a foreign currency at a specified delivery or maturity date for an agreed upon price. Fluctuations in the market value of foreign currency forward contracts are recognized as incurred rather than at the maturity or settlement date of the contract. Investment managers use these contracts primarily to hedge the currency exposure of the agencies’ investments.

Financial futures are agreements to purchase or sell a specific amount of an asset at a specified delivery or maturity date for an agreed upon price. Investment managers use financial futures to improve yield, adjust the duration of the fixed income portfolio, circumvent changes in interest rates, or to replicate an index. Futures contracts are standardized and traded on organized exchanges, thereby minimizing the agencies’ credit risk. The net change in the futures contracts value is settled daily with the exchanges. Because of daily settlement, the futures contracts have no fair value. As the market value of the futures contract varies from the original contract price, a gain or loss is paid to or received from the clearinghouse.

Financial options are used by investment managers in an attempt to add value to the portfolio or protect a position in the portfolio. Financial options are agreements that give one party the right, but not the obligation, to purchase or sell a specific amount of an asset for a specified price, called the strike price, on or before a specified expiration date. As writers of financial options, the agencies receive a premium at the outset of the agreement and bear the risk of an unfavorable

change in the price of the financial instrument underlying the option. Premiums received are recorded as a liability when the financial option is written. As a purchaser of financial options, the agencies pay a premium at the outset of the agreement and the counterparty bears the risk of an unfavorable change in the price of the financial instrument underlying the option. Premiums paid are recorded as an asset when the financial option is purchased. Fluctuations in the fair value of financial options are recognized in the financial statements as incurred rather than at the time the options are exercised or when they expire.

Swaps are agreements to exchange future cash flows. The agencies utilize the following types of swaps:

- a) Credit default swaps are financial instruments used to replicate the effect of investing in debt obligations of corporate bond issuers as a means to manage bond exposure, effectively buying or selling insurance protection in case of default. Credit default swaps may be specific to an individual security or to a specific market sector (index swaps).
- b) Interest rate swaps are agreements between parties to exchange a set of cash flow streams over a period of time. In the most common type of interest rate swap arrangement, one party agrees to pay fixed interest payments on designated dates to a counterparty who, in turn, agrees to make return interest payments that float with some reference rate.
- c) Inflation-linked swaps are agreements where a fixed payment is exchanged for a variable payment linked to an inflation index. These swaps can protect against unfavorable changes in inflation expectations and are used to transfer inflation risk from one counterparty to another. Inflation-linked swaps initially have no net value; the value of the swap's outstanding payments will change as interest and inflation rates change. The value may be either positive or negative.
- d) Total return swaps are agreements that involve a stream of payments based on a set rate, either fixed or variable, by one party while the other party makes payments based on the return of the underlying asset, which includes both the income it generates and any capital gains.

Swaptions are options on swaps that give the purchaser the right, but not the obligation, to enter into a swap at a specific date in the future.

Rights and warrants allow investment managers to replicate an underlying security they wish to hold (sell) in the portfolio. Rights and warrants provide the holder with the right, but not the obligation, to buy or sell a company's stock at a predetermined price. Rights usually expire after a few weeks and warrants can expire from one to several years.

At June 30, 2015, investment derivatives are reported as investments in the Statement of Fiduciary Net Position. The change in fair value of derivative investments is included in investment income on the Statement of Changes in Fiduciary Net Position. Following are summaries of investment derivatives held at each agency at June 30, 2015:

## ISBI

Table 14-3 (amounts expressed in thousands)

Investment Derivatives	Fair Value at June 30, 2015	Change in Fair Value		Notional*
Currency Forwards	\$ 980	\$ (1,678)		N/A
Futures	N/A	N/A	\$ 9,942	
Options	-	(5)		-
Rights	36	(304)	1,944	
Warrants	301	155	74	
<b>Grand Totals</b>	<b>\$ 1,317</b>	<b>\$ (1,832)</b>		<b>\$ 11,960</b>

\* Notional amounts represent financial exposure to these instruments in U.S. dollars.

## TRS

Table 14-4 (amounts expressed in thousands)

Investment Derivatives	Fair Value at June 30, 2015	Change in Fair Value		Notional*
Rights	\$ 798	\$ (176)	\$ 6,879	
Warrants	14,293	607	1,947	
Currency Forwards				
Purchases	3,976,814			
Sales	(3,917,489)			
	<b>59,325</b>	<b>182,435</b>		<b>-</b>
Futures**				
Equity Futures Long	-	26,981	240,677	
Equity Futures Short	-	1,384	(55,123)	
Fixed Income Futures Long	-	15,324	618,217	
Fixed Income Futures Short	-	(24,353)	(2,430,409)	
Commodity Futures Long	-	(13,811)	100,251	
Commodity Futures Short	-	13,538	(66,807)	
	<b>-</b>	<b>19,063</b>		<b>(1,593,194)</b>
Options**				
Equity Options Purchased	1,558	(345)	19,438	
Equity Options Written	(738)	3,000	12,271	
Currency Forward Options Purchased	942	2,234	22,352	
Currency Forward Options Written	(1,156)	2,119	31,171	
Inflation Options Written	(461)	(266)	4,974	
Options on Futures Purchased	56	(734)	44,420	
Options on Futures Written	(345)	1,993	20,972	
	<b>(144)</b>	<b>8,001</b>		<b>155,598</b>
Swaptions				
Swaptions Purchased	5,451	2,618	19,964	
Swaptions Written	(5,518)	3,678	103,277	
	<b>(67)</b>	<b>6,296</b>		<b>123,241</b>
Credit Default Swaps				
Credit Default Swaps Buying Protection	-	73	-	
Credit Default Swaps Selling Protection	(121)	(5,687)	378,390	
	<b>(121)</b>	<b>(5,614)</b>		<b>378,390</b>
Index Swaps	68	(5,069)	31,222	
Interest Rate Swaps				
Pay Fixed Interest Rate Swaps	7,072	(9,635)	1,508,992	
Receive Fixed Interest Rate Swaps	(1,609)	(643)	540,201	
	<b>5,463</b>	<b>(10,278)</b>		<b>2,049,193</b>
Inflation-linked Swaps				
Pay Fixed Inflation Swaps	(3,513)	(2,711)	169,823	
Receive Fixed Inflation Swaps	(749)	(731)	89,205	
	<b>(4,262)</b>	<b>(3,442)</b>		<b>259,028</b>
<b>Grand Totals</b>	<b>\$ 75,353</b>	<b>\$ 191,823</b>		<b>\$ 1,412,304</b>

\* Notional amounts represent financial exposure to these instruments in U.S. dollars.

\*\* Notional values do not represent actual values in the Statement of Fiduciary Net Position.

Interest rate risk for derivative securities is disclosed in Note 3. Both interest rate and inflation rate swaps have fair values that are sensitive to interest rate changes. TRS had the following interest rate and inflation swaps at June 30, 2015.

Table 14-5 (amounts expressed in thousands)

## Interest Rate and Inflation Swaps

Asset Description	Par	Gross Notional*	TRS Receives	TRS Pays	Maturity Date	Fair Value June 30, 2015
<b>Pay Fixed Interest</b>						
<b>Rate Swaps</b>						
United States Dollar	274,900	\$ 274,900	3 mo. LIBOR <sup>^^</sup>	1.30%	5/6/2017	\$ (388)
United States Dollar	92,500	92,500	3 mo. LIBOR <sup>^^</sup>	1.85%	5/18/2017	(610)
United States Dollar	59,200	59,200	3 mo. LIBOR <sup>^^</sup>	1.50%	7/1/2017	(128)
United States Dollar	31,600	31,600	3 mo. LIBOR <sup>^^</sup>	1.50%	10/1/2017	(48)
United States Dollar	41,860	41,880	3 mo. LIBOR <sup>^^</sup>	0.93%	10/17/2017	89
United States Dollar	43,300	43,300	3 mo. LIBOR <sup>^^</sup>	1.50%	12/16/2017	(230)
United States Dollar	236,200	236,200	3 mo. LIBOR <sup>^^</sup>	1.75%	12/16/2018	(1,395)
United States Dollar	100	100	3 mo. LIBOR <sup>^^</sup>	2.00%	12/16/2019	(1)
United States Dollar	5,300	5,300	3 mo. LIBOR <sup>^^</sup>	2.00%	12/16/2020	2
United States Dollar	199,600	199,600	3 mo. LIBOR <sup>^^</sup>	2.25%	12/16/2022	839
United States Dollar	39,970	39,970	3 mo. LIBOR <sup>^^</sup>	2.79%	3/31/2024	(1,401)
United States Dollar	32,860	32,878	3 mo. LIBOR <sup>^^</sup>	2.73%	7/7/2024	(951)
United States Dollar	13,890	13,897	3 mo. LIBOR <sup>^^</sup>	1.91%	1/22/2025	634
United States Dollar	17,360	17,369	3 mo. LIBOR <sup>^^</sup>	1.97%	1/23/2025	708
United States Dollar	10,240	10,245	3 mo. LIBOR <sup>^^</sup>	1.97%	1/27/2025	416
United States Dollar	2,560	2,561	3 mo. LIBOR <sup>^^</sup>	1.94%	1/29/2025	112
United States Dollar	2,170	2,171	3 mo. LIBOR <sup>^^</sup>	1.94%	1/30/2025	94
United States Dollar	3,420	3,421	3 mo. LIBOR <sup>^^</sup>	1.82%	2/3/2025	187
United States Dollar	7,050	7,050	3 mo. LIBOR <sup>^^</sup>	1.98%	3/27/2025	295
United States Dollar	7,050	7,050	3 mo. LIBOR <sup>^^</sup>	1.99%	3/27/2025	290
United States Dollar	16,000	16,000	3 mo. LIBOR <sup>^^</sup>	3.00%	6/17/2025	154
United States Dollar	7,760	7,760	3 mo. LIBOR <sup>^^</sup>	2.45%	7/2/2025	-
United States Dollar	129,200	129,200	3 mo. LIBOR <sup>^^</sup>	2.50%	12/16/2025	1,027
United States Dollar	19,030	19,030	3 mo. LIBOR <sup>^^</sup>	3.49%	3/31/2044	(2,103)
United States Dollar	103,600	103,600	3 mo. LIBOR <sup>^^</sup>	2.75%	12/16/2045	5,276
Brazilian Real	9,100	2,992	3 mo. Brazilian CDI <sup>^^^</sup>	11.68%	1/4/2021	62
Brazilian Real	500	161	3 mo. Brazilian CDI <sup>^^^</sup>	12.23%	1/4/2021	-
Euro	56,550	63,008	6 mo. EURIBOR <sup>~~~~~</sup>	0.75%	9/16/2025	2,806
British Pound Sterling	11,200	17,614	6 mo. LIBOR <sup>^^</sup>	1.50%	9/16/2017	(97)
British Pound Sterling	9,360	14,721	6 mo. LIBOR <sup>^^</sup>	2.00%	9/16/2025	285
British Pound Sterling	8,720	13,714	6 mo. LIBOR <sup>^^</sup>	2.00%	9/16/1945	1,148
		<b>\$ 1,508,992</b>				<b>\$ 7,072</b>
<b>Receive Fixed Interest</b>						
<b>Rate Swaps</b>						
Brazilian Real	777,800	\$ 249,163	11.16% to 13.22%	3 mo. Brazilian CDI <sup>^^^</sup>	1/2/2018-1/4/2021	\$ (1,224)
British Pound Sterling	34,500	54,274	1.25% to 2.08%	6 mo. LIBOR <sup>^^</sup>	6/17/2017-9/16/2025	(387)
Euro	31,300	34,414	0.43% to 1.50%	6 mo. EURIBOR <sup>~~~~~</sup>	12/11/2019-3/16/2046	(169)
Japanese Yen	1,630,000	13,889	1.00%	6 mo. JPY <sup>~~~~~</sup> LIBOR <sup>^^</sup>	9/18/2023-3/20/2024	530
Mexican Peso	1,790,200	113,686	4.04% to 7.74%	4 wk. Mexican TIE <sup>^</sup>	9/6/2016-1/8/2030	(556)
New Zealand Dollar	100,000	68,018	4.00%	3 mo. NZD <sup>~~~~~</sup> Bank Bill	12/11/2015	240
United States Dollar	6,800	6,757	2.00% to 2.50%	3 mo. LIBOR <sup>^^</sup>	12/16/2020-12/16/2025	(43)
		<b>\$ 540,201</b>				<b>\$ (1,609)</b>
<b>Pay Fixed Inflation</b>						
<b>Linked Swaps</b>						
Euro	47,600	\$ 53,764	EMU HICP <sup>~~~~~</sup>	0.66% to 0.99%	1/26/2020-3/31/2020	\$ 729
United States Dollar	120,300	116,059	U.S. CPI <sup>~~~</sup> URNSA <sup>~~~</sup>	0.07% to 2.56%	12/22/2015-5/8/2023	(4,242)
		<b>\$ 169,823</b>				<b>\$ (3,513)</b>
<b>Receive Fixed Inflation</b>						
<b>Linked Swaps</b>						
British Pound Sterling	35,804	\$ 55,891	3.14% to 3.55%	UK <sup>~~~~~</sup> Retail Price Index	1/14/2030-1/12/2045	\$ (647)
Euro	15,900	17,710	1.63% to 1.68%	France CPI <sup>~~~</sup> ex-Tobacco Index	6/15/2025-6/18/2025	(6)
United States Dollar	15,700	15,604	2.06%	U.S. CPI <sup>~~~</sup> URNSA <sup>~~~</sup>	5/12/2025	(96)
		<b>\$ 89,205</b>				<b>\$ (749)</b>

\* Includes income/accrued payable amounts

<sup>^</sup> TIE - Mexico Interbank Equilibrium Interest Rate

<sup>^^</sup> LIBOR - London Interbank Offered Rate

<sup>^^^</sup> CDI - Cetip Interbank Deposit (interbank lending rate)

<sup>~~~</sup> CPI - Consumer Price Index

<sup>~~~~~</sup> URNSA - Urban Consumers NSA Index Rate

<sup>~~~~~</sup> EMU HICP - European Monetary Union Harmonized Index of Consumer Prices

<sup>~~~~~</sup> EURIBOR - Euro Interbank Offered Rate

<sup>~~~~~</sup> NZD - New Zealand Dollar

<sup>~~~~~</sup> JPY - Japanese Yen

<sup>~~~~~</sup> UK - United Kingdom

## SURS

Table 14-6 (amounts expressed in thousands)

<b>Investment Derivatives</b>	<b>Fair Value at June 30, 2015</b>	<b>Changes in Fair Value</b>	<b>Notional*</b>
Rights and Warrants	\$ 18	\$ (26)	\$ 483
Currency Forwards			
Purchases	14,760	12,626	-
Sales	(4,465)	(908)	-
	<u>10,295</u>	<u>11,718</u>	<u>-</u>
Futures			
Equity Derivatives Long	970	526	237,456
Equity Derivatives Short	(481)	(481)	(274,846)
Fixed Income Long	(121)	(349)	778,662
Fixed Income Short	(19)	1	(763,148)
Commodity Long	6,645	6,645	351,718
Foreign Exchange Long	(1)	(1)	16,113
Foreign Exchange Short	114	114	(9,798)
	<u>7,107</u>	<u>6,455</u>	<u>336,157</u>
Options			
Equity Put	(3)	(3)	(4,000)
Fixed Income Call	(887)	(492)	(270,421)
Fixed Income Put	(46)	(8)	8,776
Cash and Cash Equivalents Call	(247)	339	(31,650)
Cash and Cash Equivalents Put	(763)	(1,001)	(37,866)
	<u>(1,946)</u>	<u>(1,165)</u>	<u>(335,161)</u>
Swaptions			
Call	(244)	(28)	93,668
Put	(285)	(225)	(212,755)
	<u>(529)</u>	<u>(253)</u>	<u>(119,087)</u>
Swaps			
Credit Default			
Buying Protection	-	1,117	-
Selling Protection	115	(3,220)	114,033
	<u>115</u>	<u>(2,103)</u>	<u>114,033</u>
Currency	522	522	17,716
Pay Fixed Inflation-linked Swaps	(842)	(951)	83,584
Receive Fixed Inflation-linked Swaps	(510)	(736)	22,664
Total Return	(659)	(7,389)	6
Receive Fixed Interest Rate	2,666	4,731	169,524
	<u>1,292</u>	<u>(5,926)</u>	<u>407,527</u>
<b>Grand Totals</b>	<b>\$ 16,237</b>	<b>\$ 10,803</b>	<b>\$ 289,919</b>

\* Notional amounts represent financial exposure to these instruments in U.S. dollars.

Interest rate risk for derivative securities is disclosed in Note 3. Both interest rate and inflation rate swaps have fair values that are sensitive to interest rate changes. SURS had the following interest rate and inflation swaps at June 30, 2015.

Table 14-7 (amounts expressed in thousands)  
**SURS Interest Rate Swaps**

<b>Pay Fixed / Receive Fixed</b>	<b>Notional Amount</b>	<b>SURS Rate</b>	<b>Counterparty Rate</b>	<b>Fair Value June 30, 2015</b>
pay fixed	\$ 57,400	0.07% to 2.415%	US CPI Urban Consumers NSA~~~~~	\$ (1,657)
pay fixed	26,184	0.66% to 0.9925%	Eurostat Eurozone HICP Ex Tob~~~	815
	<u><u>\$ 83,584</u></u>			<u><u>\$ (842)</u></u>
receive fixed	\$ 64,066	6 mo. EURIBOR-Act/360-Bloomberg~~~~~	0.55% to 1.50%	\$ 1,595
receive fixed	48,814	BCID~	11.00% to 13.03%	(886)
receive fixed	(8,900)	Federal Fund Effective Rate US~~~	0.25%	(10)
receive fixed	31,382	6 mo. JPY-LIBOR BBA-Bloomberg~~~~~	0.75% to 1.50%	(14)
receive fixed	78,104	28 day TIE~~~~~	4.04% to 7.64%	(160)
receive fixed	(22,380)	3 mo. USD-LIBOR BBA-Bloomberg^	1.25% to 3.00%	1,748
receive fixed	22,664	UK RPI All Items NSA~~~~~	3.14% to 3.55%	(510)
receive fixed	(21,562)	6 mo. GBP-LIBOR BBA-Bloomberg~~~~~	1.25% to 2.75%	393
	<u><u>\$ 192,188</u></u>			<u><u>\$ 2,156</u></u>
pay USD	\$ 17,716	CCY SWP EUR 3 mo. LIBOR/3 mo. EURIB~~~~~	US LIBOR for Euribor~~~~~	\$ 522
	<u><u>\$ 17,716</u></u>			<u><u>\$ 522</u></u>

^ US Dollar London Interbank Offered Rate published by the British Bankers' Association on the Bloomberg screen

~~ BCID - Brazil Cetip Interbank Deposit

~~~ US Federal Funds Rate

~~~~ Eurozone Harmonised Index of Consumer Prices excluding Tobacco

~~~~~ Japanese Yen London Interbank Offered Rate published by the British Bankers' Association on the Bloomberg screen

~~~~~ TIE - Mexico Interbank Equilibrium Interest Rate

~~~~~ US Consumer Price Index for All Urban Consumers (not seasonally adjusted)

~~~~~ Euro Interbank Offered Rate on the Bloomberg screen

~~~~~ UK Retail Price Index All Items France Consumer Price Index excluding Tobacco

~~~~~ Pound London Interbank Offered Rate on the Bloomberg screen

~~~~~ Currency Swap USD for Euro

~~~~~ London Interbank Offered Rate for Euro Interbank Offered Rate

### Credit risk

Credit risk is the possibility that a loss may occur because a party to a transaction fails to perform according to the established terms. In order to eliminate credit risk, all derivative securities of ISBI, TRS, and SURS are done through a clearinghouse which guarantees delivery and accepts the risk of default by either party. Derivatives which are exchange traded are not subject to credit risks. None of the agencies have a policy regarding master netting arrangements.

**ISBI:** ISBI's derivative investments in forward currency contracts are held with counterparties. The credit ratings and net exposure as of June 30, 2015, for each of the counterparties are as follows:

| Table 14-8 (expressed in thousands) |                        |                        |                                   |
|-------------------------------------|------------------------|------------------------|-----------------------------------|
| <b>Moody's Rating</b>               | <b>Fair Value</b>      | <b>Net Exposure</b>    | <b>Percentage of Net Exposure</b> |
| Aa3                                 | \$ 1,017               | \$ 1,017               | 53%                               |
| Aa2                                 | 290                    | 290                    | 15%                               |
| Aa1                                 | 3                      | 3                      | 0%                                |
| A3                                  | 289                    | 289                    | 15%                               |
| A2                                  | 72                     | 72                     | 4%                                |
| A1                                  | 252                    | 252                    | 13%                               |
| Baa1                                | 3                      | 3                      | 0%                                |
|                                     | <u><u>\$ 1,926</u></u> | <u><u>\$ 1,926</u></u> | <u><u>100%</u></u>                |

**TRS:** Non-exchange traded derivative instruments may expose TRS to credit/counterparty risk. Credit risk is reduced by evaluating the credit quality and operational capabilities of counterparties. Because the counterparty risk of a security will fluctuate with market movements,

all TRS managers using non-exchange traded derivatives operate a collateral call process ensuring full collateralization of its derivatives.

The aggregate fair value of non-exchange traded derivative instruments in asset positions at June 30, 2015 was \$112.571 million, as shown in the table below. This represents the maximum loss that would be recognized at the reporting date if all counterparties failed to perform as contracted.

| Moody's Quality Rating              |                   |
|-------------------------------------|-------------------|
| Aa1                                 | \$ 3,960          |
| Aa2                                 | 7,625             |
| Aa3                                 | 8,890             |
| A1                                  | 39,756            |
| A2                                  | 16,602            |
| A3                                  | 35,637            |
| Baa1                                | 101               |
| <b>Total subject to credit risk</b> | <b>\$ 112,571</b> |

Although the derivative instruments held within the TRS investment portfolio are executed with various counterparties, approximately 95 percent of the net market value exposure to credit risk is for non-exchange traded derivative contracts held with thirteen counterparties.

SURS: The maximum loss that would be recognized at June 30, 2015, if all counterparties fail to perform as contracted is \$29.9 million. This maximum exposure is reduced by \$12.3 million in collateral held and approximately \$20.8 million in liabilities, resulting in approximately (\$3.2) million net exposure to credit risk. At June 30, 2015, the counterparties' credit ratings for currency forwards, swaptions and swaps subject to credit risk are as follows:

| Table 14-10 (amounts expressed in thousands) |                  |                 |                 |                  |       |
|--|------------------|-----------------|-----------------|------------------|-------|
| Quality Rating                               | Forwards         | Swaptions       | Swaps           | Total            |       |
| AA   | \$ -             | \$ 125          | \$ (75)         | \$ 50            |       |
| A  | -                | (1,006)         | 718             |                  | (288) |
| BBB  | -                | 352             | 648             | 1,000            |       |
| No Rating                                    | 10,295           | -               | 1               | 10,296           |       |
| <b>Total Subject to Credit Risk</b>          | <b>\$ 10,295</b> | <b>\$ (529)</b> | <b>\$ 1,292</b> | <b>\$ 11,058</b> |       |

### Hedging Derivatives - Major Component Units

Several component units of the State have entered into various hedging derivative instrument agreements. The agreements are reported in accordance with GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. The fair value balance of the derivatives, including any change during the fiscal year, is shown on the Statement of Net Position for Component Units and the Government-wide Statement of Net Position under derivative instrument – assets, deferred outflows of resources, derivative instrument liabilities, and deferred inflows of resources. Component units with hedging derivative instrument agreements include the Illinois Housing Development Authority (“IHDA”), the Illinois State Toll Highway Authority (“THA”), and the University of Illinois (“U of I”).

IHDA: The IHDA has one active swap contract and three interest rate caps. All are considered cash flow hedges. The objective of the one pay-fixed, receive variable, interest rate swap agreement is to achieve a synthetic fixed interest rate on the underlying bonds at a cost anticipated to be less than the amounts paid had the IHDA issued fixed-rate debt. The fair value of the interest rate swap was estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swaps.

The objective of the three interest rate cap agreements is to establish a maximum debt service which may be paid over the life of the underlying bonds. The notional amount of the swap and rate caps match the principal amount of the associated debt, except in the case of Series 2008A where scheduled amortization of the bonds have reduced the outstanding bond amount leaving the notional amount of the interest rate cap at its original value. The Authority's swap and cap agreements in most cases contain scheduled reductions to outstanding notional amounts that are expected to approximately follow scheduled or an anticipated reduction in the associated bonds payable category. The fair value of the interest rate swap and rate caps were estimated using data provided by the counterparties.

THA: The THA has entered into ten separate variable-to-fixed rate interest rate exchange agreements (swaps) in connection with its three variable rate bond issues. One of the swaps associated with the 2008 Series A-2 Bonds was terminated on June 10, 2010, in connection with the Tollway's refunding of a portion of its 2008 Series A-2 Bonds on July 1, 2010. As a result, nine of the ten swaps were outstanding as of December 31, 2014 (THA's fiscal year-end). The objective of the agreements is to obtain a synthetic fixed interest rate on the underlying bonds at a cost anticipated to be less than the amounts paid had the THA issued fixed rate debt. The swaps' fair market values were calculated using the zero coupon method.

U of I: The U of I has entered into three separate pay-fixed, receive variable interest rate swap agreements in connection with certain bond issues and into one pay-fixed, receive variable interest rate swap in connection with its Certificates of Participation. All are considered cash flow hedges.

The objective of these swaps was to effectively change the U of I's variable interest rate on the debt to a synthetic fixed rate. The notional amount of the interest rate swaps on the bonds is equal to the par amount of the related bonds, except for Health Services Facilities System Revenue Bonds Series 2008, of which \$275 thousand is not covered by the swap agreement. The notional amount of the interest rate swap for the Certificates of Participation is equal to the par amount of the related Certificates of Participation. All of the swap agreements were entered at the same time as the related debt was issued and terminate with maturity. No cash was paid or received when the original swap agreements were entered into. The U of I engaged a third-party consultant to calculate the market value of each swap transaction.

The following table displays the terms of the various hedging derivative instruments of the major component units outstanding at June 30, 2015 (except for the THA, for which the fiscal year end is December 31, 2014), along with the credit rating of the associated counterparty.

Table 14-11 (amounts expressed in thousands)

| Associated Bond Issue (1)                              | Notional Amounts  | Effective Date | Fixed Rate Paid | Variable Rate Received                        | Fair Values (2)     | Change in Fair Value | Termination Date | Swap Credit | Counterparty Rating (3) |
|--|---|----------------|-----------------|---|---------------------|----------------------|------------------|-------------|-------------------------|
| <b>Major Component Units</b>                           |   |                |                 |   |                     |                      |                  |             |                         |
| <b>IHDA</b>  |   |                |                 |   |                     |                      |                  |             |                         |
| <b>Interest Rate Swap Contracts</b>                    |   |                |                 |   |                     |                      |                  |             |                         |
| HMRB*  |   |                |                 |   |                     |                      |                  |             |                         |
| Series 2001F   | \$ 10,000   | 1/02           | 6.615%          | 1 mo. LIBOR <sup>^</sup> +40bp <sup>^^</sup>  | \$ (1,663)          | \$ 434               | 8/20             | A-/Baa2/-   |                         |
| <b>Interest Rate Cap</b>                               |   |                |                 |   |                     |                      |                  |             |                         |
| HB**   |   |                |                 |   |                     |                      |                  |             |                         |
| Series 2008A   | 13,090  | 1/13           | 5.75%           | N/A   | -                   |                      | 12/17            | AA/Aa2/-    |                         |
| Series 2008B   | 29,085  | 7/11           | 5.5%            | N/A   | -                   |                      | 6/16             | A/A2/-      |                         |
| Series 2008C   | 5,005   | 6/06           | 4.75%           | N/A   | 9                   |                      | 6/21             | A/A2/-      |                         |
|  | <u>47,180</u>   |                |                 |   | <u>9</u>            | <u>(33)</u>          |                  |             |                         |
|  | <u>\$ 57,180</u>  |                |                 |   | <u>\$ (1,654)</u>   | <u>\$ 401</u>        |                  |             |                         |
| <b>THA-</b>  |   |                |                 |   |                     |                      |                  |             |                         |
| <b>Interest Rate Exchange Agreements</b>               |   |                |                 |   |                     |                      |                  |             |                         |
| Series 1998B   | \$ 67,705   | 12/98          | 4.325%          | Actual bond rate                              | \$ (4,064)          |                      | 1/17             | AAA/Aa2/-   |                         |
| Series 1998B   | 55,395  | 12/98          | 4.325%          | Actual bond rate                              | (3,325)             |                      | 1/17             | A+/Aa3/-    |                         |
| Series 2007 A-1  | 175,000   | 11/07          | 3.972%          | SIFMA <sup>^</sup> 7 day Municipal Swap Index | (38,672)            |                      | 7/30             | A/A2/-      |                         |
| Series 2007 A-1  | 175,000   | 11/07          | 3.972%          | SIFMA <sup>^</sup> 7 day Municipal Swap Index | (38,672)            |                      | 7/30             | A/A2/-      |                         |
| Series 2007 A-2  | 262,500   | 11/07          | 3.9925%         | SIFMA <sup>^</sup> 7 day Municipal Swap Index | (58,616)            |                      | 7/30             | A/A2/-      |                         |
| Series 2007 A-2  | 87,500  | 11/07          | 3.9925%         | SIFMA <sup>^</sup> 7 day Municipal Swap Index | (19,539)            |                      | 7/30             | AA-/Aa3/-   |                         |
| Series 2008 A-1  | 191,550   | 2/08           | 3.774%          | SIFMA <sup>^</sup> 7 day Municipal Swap Index | (37,760)            |                      | 1/31             | AA-/Aa2/-   |                         |
| Series 2008 A-1  | 191,550   | 2/08           | 3.774%          | SIFMA <sup>^</sup> 7 day Municipal Swap Index | (37,760)            |                      | 1/31             | A/A3/-      |                         |
| Series 2008 A-2  | 95,775  | 2/08           | 3.764%          | SIFMA <sup>^</sup> 7 day Municipal Swap Index | (18,774)            |                      | 1/31             | A/A2/-      |                         |
|  | <u>\$ 1,301,975</u>   |                |                 |   | <u>\$ (257,182)</u> | <u>\$ (120,629)</u>  |                  |             |                         |
| <b>U of I</b>  |   |                |                 |   |                     |                      |                  |             |                         |
| <b>Interest Rate Swap Contracts</b>                    |   |                |                 |   |                     |                      |                  |             |                         |
| Revenue Bonds  |   |                |                 |   |                     |                      |                  |             |                         |
| Series 2008<br>(South Campus)                          | \$ 21,283   | 2/06***        | 4.086%          | 68% of 1 mo. LIBOR <sup>^</sup>               | \$ (2,477)          |                      | 1/22             | A-/A3/-     |                         |
| Series 2008<br>(South Campus)                          | 20,888  | 2/06***        | 4.092%          | 68% of 1 mo. LIBOR <sup>^</sup>               | (2,424)             |                      | 1/22             | A+/Aa3/-    |                         |
| Series 2008<br>(Health Services<br>Facility System)    | 33,390  | 11/08***       | 3.534%          | 68% of 1 mo. LIBOR <sup>^</sup>               | (4,252)             |                      | 10/26            | BBB+/A3/-   |                         |
| Certificates of Participation                          |   |                |                 |   |                     |                      |                  |             |                         |
| Series 2004  | 103,040   | 3/04           | 3.765%          | SIFMA <sup>^</sup> Municipal Swap Index       | (11,451)            |                      | 8/21             | A-/A3/-     |                         |
|  | <u>\$ 178,601</u>   |                |                 |   | <u>\$ (20,604)</u>  | <u>\$ 3,115</u>      |                  |             |                         |
| ~ As of 12/31/2014 (THA's fiscal year-end).            |   |                |                 |   |                     |                      |                  |             |                         |
| *  | Homeowner Mortgage Revenue Bonds  |                |                 |   |                     |                      |                  |             |                         |
| **   | Housing Bonds   |                |                 |   |                     |                      |                  |             |                         |
| ***  | Swap agreement was transferred from original issue<br>to the refunded bond issue.                   |                |                 |   |                     |                      |                  |             |                         |
| ^ Securities Industry and Financial Market Association |   |                |                 |   |                     |                      |                  |             |                         |
| ^^ London Interbank Offered Rate                       |   |                |                 |   |                     |                      |                  |             |                         |
| ^^ Basis points  |   |                |                 |   |                     |                      |                  |             |                         |
| (1)  | All bond issues are taxable debt instruments.   |                |                 |   |                     |                      |                  |             |                         |
| (2)  | Includes accrued interest.  |                |                 |   |                     |                      |                  |             |                         |
| (3)  | Credit rating companies: Standard and Poor's (S&P)/Moody's Investors Services/Fitch Rating Services |                |                 |   |                     |                      |                  |             |                         |

## Risks

### Credit risk

IHDA: As interest rates change and the fair value becomes positive, IHDA is exposed to credit risk in the amount of the swap's or caps' fair value. As of June 30, 2015, IHDA was not exposed to credit risk for the swap that had negative fair value. IHDA is exposed to credit risk on the caps with positive fair value. The aggregate fair value of hedging derivative instruments with positive fair value at June 30, 2015, was \$9 thousand. This represents the maximum loss that would be recognized at June 30, 2015, if all counterparties failed to perform as contracted as no collateral is in place. Fair value is a factor only upon termination. The counterparty with the largest notional amount holds 51% of the total notional amount of the outstanding swaps. IHDA does not have a policy regarding master netting arrangements.

THA: At December 31, 2014 (THA's fiscal year-end), THA was not exposed to credit risk because of the negative fair values of the swaps. If changes in interest rates were to create positive market values for the swaps in the future, the THA would be exposed to credit risk in the amount of those positive fair values. The swaps require full collateralization from the counterparty of any positive fair value of the swaps in the event a counterparty's credit rating falls below a Standard & Poor's rating of A- or a Moody's Investor Services' rating of A3. The swaps require such collateral to be held by a third party custodian in the form of cash, debt obligations issued by the U.S. Treasury or debt issued by federally sponsored agencies. The nine swaps outstanding at December 31, 2014, are with eight different counterparties from seven different financial firms. The counterparty with the largest notional amount holds 28% of the total notional amount of the outstanding swaps. THA does not have a policy regarding master netting arrangements.

U of I: As of June 30, 2015 the U of I was not exposed to credit risk because its swaps had a negative fair value. If interest rates change and the fair value of the swaps become positive, the U of I would be exposed to credit risk in the amount of the derivatives' fair values. Since they are negative numbers, they represent an approximation of the amount of money the U of I may have to pay a swap provider to terminate the swap. The counterparty may have to post collateral in the U of I's favor in certain conditions, and the U of I would never be required to post collateral in the counterparty's favor. At June 30, 2015, one counterparty held 70%, another held 18%, and a third held 12% of the total notional amount of the outstanding swaps. U of I does not have a policy regarding master netting arrangements.

***Interest rate risk***

IHDA: Because interest rates have declined since the implementation of the swap agreement, it had a negative fair value as of June 30, 2015. The negative fair value may be countered by reductions in total interest payments required under the variable-rate bonds, creating lower synthetic interest rates. Because the coupons on the IHDA's variable rate bonds adjust to changing interest rates, the bonds do not have corresponding fair value changes.

THA: Low interest rates contributed to the negative market valuations at December 31, 2014. At the time of the swaps, the synthetic fixed rates achieved by the swaps were less than the fixed rates that could have been achieved by issuing fixed rate bonds.

U of I: During fiscal year 2015, declining interest rates exposed the U of I to interest rate risk, which adversely affected the fair values of the swap agreements.

***Basis risk***

IHDA: Basis risk on a swap occurs when the variable payment received is based on an index other than the index on the underlying bonds. IHDA believes its swap agreement has been structured to minimize or eliminate this risk.

THA: The THA has implemented a strategy on the swaps associated with the Series 1998B, Series 2007 A-1, Series 2007 A-2, Series 2008 A-1, and Series 2008 A-2 bonds, which was designed to provide a synthetic fixed rate below the traditional fixed interest rate available at the time of the financings, producing interest rate savings to the THA. The swaps expose the THA to basis risk should the variable interest rate on the bonds and the SIFMA Index diverge. If an unfavorable divergence occurs, the expected cost savings may not be realized. As of December 31, 2014 (THA's fiscal year-end), the SIFMA rate in effect for the swaps was 0.05%.

U of I Bonds: The swaps expose the U of I to basis risk should the relationship between LIBOR and the variable weekly rate determined by remarketing agents change, changing the synthetic rate on the bonds. If a change occurs that results in the difference in rates widening, the expected cost savings may not be realized.

U of I Certificates of Participation: Starting in fiscal year 2006, the notional value of the swap and the principal amount of the associated Certificates began to decline. Conversely, the Certificates' variable interest rates are expected to approximate SIFMA. For fiscal year 2015, the Certificates' average variable interest rate was the same as SIFMA. The swap exposes the U of I to basis risk should the relationship between SIFMA and the variable weekly rate determined by remarketing agents converge, changing the synthetic rate on the bonds. If a change occurs that results in the rates widening, the expected cost savings may not be realized.

***Termination risk***

IHDA: The IHDA or the counterparty may terminate the swap agreement if the other party fails to perform under the terms of the agreement. If a swap is insured, a termination event occurs if the insurer fails to meet the obligations under the agreement.

THA: The THA or the counterparties may terminate any of the swaps if the other party fails to perform under terms of the swaps. If a swap were terminated, the associated variable rate bonds would no longer carry synthetic fixed interest rates. In addition, if the swap has a negative market value at the time of termination, the THA would be liable to the counterparty for a payment approximately equal to the swap's market value.

U of I: The U of I has the option to terminate any of its swaps early. The U of I or the counterparties may terminate a swap if the other party fails to perform under the terms of the contract. The U of I may terminate a swap if both credit ratings of the counterparties fall below BBB+ as issued by Standard & Poor's and Baa1 as issued by Moody's Investors Services. If a swap is terminated, the variable-rate bonds would no longer carry a synthetic fixed interest rate. In addition, if at the time of termination, a swap has a negative fair value, the U of I would be liable to the counterparties for a payment equal to the swap's fair value.

***Rollover risk***

IHDA: The IHDA is not exposed to rollover risk on its swap agreement. IHDA is exposed to rollover risk on hedging derivative instruments that are hedges of debt that mature or may be terminated prior to the maturity of the hedged debt. When these hedging derivative instruments terminate, IHDA will be re-exposed to the risks being hedged by the hedging derivative instrument. IHDA is exposed to rollover risk on the caps which have termination dates that occur prior to the final maturity of the related bonds.

THA: The THA is not exposed to rollover risk, as all swap agreements have final maturities and amortizations that approximately match the final maturities and amortizations of the related bonds.

U of I: The U of I is not exposed to rollover risk on its swap agreements since the swap agreements extend to the maturity of the related debt.

As of June 30, 2015, (except for the THA which is as of December 31, 2014), debt service requirements of outstanding variable rate debt and net swap payments, assuming current interest rates remain the same, for their terms are as follows:

| Table 14-12 (amounts expressed in thousands)  |                  |                 |                      |                   |                     |   |                   |                      |                   |              |  |
|---|------------------|-----------------|----------------------|-------------------|---------------------|---|-------------------|----------------------|-------------------|--------------|--|
| <b>Swap Payments and Associated Debt</b>      |                  |                 |                      |                   |                     |   |                   |                      |                   |              |  |
| <b>Variable Rate Debt</b>                     |                  |                 |                      |                   |                     |   |                   |                      |                   |              |  |
| <b>Major Component Units</b>                  |                  |                 |                      |                   |                     |   |                   |                      |                   |              |  |
| <b>Illinois Housing Development Authority</b> |                  |                 |                      |                   |                     | <b>Illinois State Toll Highway Authority</b>                |                   |                      |                   |              |  |
| <b>Year Ending</b>                            | <b>Principal</b> | <b>Interest</b> | <b>Interest Rate</b> | <b>Swaps, Net</b> | <b>Total</b>        | <b>Principal</b>  | <b>Interest</b>   | <b>Interest Rate</b> | <b>Swaps, Net</b> | <b>Total</b> |  |
| <b>June 30</b>                                |                  |                 |                      |                   |                     |   |                   |                      |                   |              |  |
| 2016  | \$ 3,080         | \$ 100          | \$ 603               | \$ 3,783          | \$ -                | \$ 920  | \$ 50,508         | \$ 51,428            |                   |              |  |
| 2017  | 4,340            | 89              | 513                  | 4,942             | 53,900              | 859   | 49,447            | 104,206              |                   |              |  |
| 2018  | 4,335            | 74              | 392                  | 4,801             | 69,200              | 717   | 46,841            | 116,758              |                   |              |  |
| 2019  | 4,550            | 60              | 271                  | 4,881             | 2,375               | 636   | 45,386            | 48,397               |                   |              |  |
| 2020  | 4,560            | 45              | 151                  | 4,756             | 2,500               | 635   | 45,293            | 48,428               |                   |              |  |
| 2021-2025                                     | 15,580           | 115             | 30                   | 15,725            | 64,188              | 3,138   | 224,974           | 292,300              |                   |              |  |
| 2026-2030                                     | 18,050           | 36              | -                    | 18,086            | 852,062             | 1,843   | 141,118           | 995,023              |                   |              |  |
| 2031-2035                                     | 1,075            | 10              | -                    | 1,085             | 257,750             | 85  | 7,954             | 265,789              |                   |              |  |
| 2036-2040                                     | 1,365            | 5               | -                    | 1,370             | -                   | -   | -                 | -                    |                   |              |  |
| 2041-2045                                     | 505              | -               | -                    | 505               | -                   | -   | -                 | -                    |                   |              |  |
| <b>Total</b>                                  | <b>\$ 57,440</b> | <b>\$ 534</b>   | <b>\$ 1,960</b>      | <b>\$ 59,934</b>  | <b>\$ 1,301,975</b> | <b>\$ 8,833</b>   | <b>\$ 611,521</b> | <b>\$ 1,922,329</b>  |                   |              |  |
| <b>University of Illinois-Revenue Bonds</b>   |                  |                 |                      |                   |                     | <b>University of Illinois-Certificates of Participation</b> |                   |                      |                   |              |  |
| <b>Year Ending</b>                            | <b>Principal</b> | <b>Interest</b> | <b>Interest Rate</b> | <b>Swaps, Net</b> | <b>Total</b>        | <b>Principal</b>  | <b>Interest</b>   | <b>Interest Rate</b> | <b>Swaps, Net</b> | <b>Total</b> |  |
| <b>June 30</b>                                |                  |                 |                      |                   |                     |   |                   |                      |                   |              |  |
| 2016  | \$ 7,050         | \$ 45           | \$ 2,733             | \$ 9,828          | \$ 8,015            | \$ 103  | \$ 3,626          | \$ 11,744            |                   |              |  |
| 2017  | 7,735            | 42              | 2,450                | 10,227            | 8,345               | 95  | 3,326             | 11,766               |                   |              |  |
| 2018  | 8,095            | 37              | 2,145                | 10,277            | 15,990              | 87  | 2,876             | 18,953               |                   |              |  |
| 2019  | 8,375            | 32              | 1,830                | 10,237            | 16,635              | 71  | 2,278             | 18,984               |                   |              |  |
| 2020  | 9,175            | 26              | 1,493                | 10,694            | 17,305              | 54  | 1,655             | 19,014               |                   |              |  |
| 2021-2025                                     | 28,735           | 60              | 3,007                | 31,802            | 36,750              | 55  | 1,341             | 38,146               |                   |              |  |
| 2026-2030                                     | 6,670            | 6               | 190                  | 6,866             | -                   | -   | -                 | -                    |                   |              |  |
| <b>Total</b>                                  | <b>\$ 75,835</b> | <b>\$ 248</b>   | <b>\$ 13,848</b>     | <b>\$ 89,931</b>  | <b>\$ 103,040</b>   | <b>\$ 465</b>   | <b>\$ 15,102</b>  | <b>\$ 118,607</b>    |                   |              |  |

As rates vary, variable rate bond interest payments and net swap payments will vary.

## 15 REFUNDINGS OF LONG-TERM OBLIGATIONS

### A. Advance Refundings

During the year ended June 30, 2015, several major component units of the State issued advance refunding debt to reduce future debt service payments. These revenue bonds and certificates of participation were issued to refund portions of earlier bond issuances. The principal of the refunded debt will be redeemed at a redemption price of 100%. The outstanding balance of the refunded revenue bonds of Illinois State Toll Highway Authority was \$728.205 million, with redemption dates through 2016. The outstanding balance of the refunded revenue bonds of the University of Illinois was \$100.995 million, with redemption dates through 2019. The outstanding balance of the refunded certificates of participation of the University of Illinois was \$112.005 million, with redemption dates through 2017.

The University of Illinois also had a partial cash defeasance of \$17.740 million of outstanding certificates of participation to reduce future debt service payments. The principal of the defeased debt will be redeemed on various dates through 2017.

Proceeds from the sales were placed in an irrevocable trust used to service the debt requirements of the old debt until redemption. As a result, the refunded debt is considered to be defeased and the liability for the debt has been removed from the financial statements of Illinois State Toll Highway Authority and the University of Illinois, respectively.

Advance refunding debt issued during fiscal year 2015, was as follows:

Table 15-1 (amounts expressed in thousands)

|  | Par Value<br>of<br>Refunding<br>Issue | Refunding<br>Issue<br>Interest<br>Rates | Par<br>Value<br>of<br>Debt<br>Refunded | Interest<br>Rates<br>of<br>Debt<br>Refunded | Debt<br>Service<br>Decreased<br>by<br>Refunding | Refunding<br>Economic<br>Gain/(Loss) | Accounting<br>Gain/(Loss) |
|--|---------------------------------------|---|--|---|---|--------------------------------------|---------------------------|
| <b>Major Component Units</b>               |                                       |   |  |   |   |                                      |                           |
| <b>Revenue Bonds</b>                       |                                       |   |  |   |   |                                      |                           |
| Illinois State Toll Highway Authority      |                                       |   |  |   |   |                                      |                           |
| Toll Highway Senior Revenue Bonds          |                                       |   |  |   |   |                                      |                           |
| Series 2014 A                              | \$ 378,720                            | 4.5% to 5.0%                            | \$ 436,545                             | 4.125% to 5.0%                              | \$ 75,323                                       | \$ 44,103                            | \$ (11,266)               |
| Series 2014 D                              | 264,555                               | 5.0%                                    | 291,660                                | 5.0%  | 38,399  | 32,979                               | (14,202)                  |
|  | <u>\$ 643,275</u>                     |   | <u>\$ 728,205</u>                      |   | <u>\$ 113,722</u>                               | <u>\$ 77,082</u>                     | <u>\$ (25,468)</u>        |
| University of Illinois                     |                                       |   |  |   |   |                                      |                           |
| Auxiliary Facilities System, Series 2015 A | \$ 109,340                            | 2.0% to 5.0%                            | \$ 100,995                             | 4.625% to 5.750%                            | \$ 12,590                                       | \$ 9,792                             | \$ (13,593)               |
| <b>Certificates of Participation</b>       |                                       |   |  |   |   |                                      |                           |
| University of Illinois                     |                                       |   |  |   |   |                                      |                           |
| COPS, Series 2009 A                        | \$ -                                  |   | \$ 17,740                              | 4.0% to 5.25%                               | \$ 24,124                                       | \$ 4,539                             | \$ (1,947)                |
| COPS, Series 2014 A                        | 25,055                                | 4.0% to 5.0%                            | 40,985                                 | 4.125% to 5.25%                             | 29,823  | 5,021                                | (3,563)                   |
| COPS, Series 2014 B                        | 11,040                                | 1.308% to 3.721%                        | 13,590                                 | 4.8% to 5.25%                               | 1,927   | 1,719                                | (349)                     |
| COPS, Series 2014 C                        | 29,160                                | 5.0%                                    | 57,430                                 | 4.625% to 5.0%                              | 27,479  | 4,415                                | (2,819)                   |
|  | <u>\$ 65,255</u>                      |   | <u>\$ 129,745</u>                      |   | <u>\$ 83,353</u>                                | <u>\$ 15,694</u>                     | <u>\$ (8,678)</u>         |

### B. Current Year Refundings

During the year ended June 30, 2015, Illinois Housing Development Authority and Southern Illinois University, major component units of the State, issued current refunding debt to defease bonds which were currently outstanding. Proceeds from the sales, together with other funds, were used to currently refund earlier issues maturing on dates ranging from August 1, 2016 through January 1, 2045, at redemption prices of 100%. Current refunding debt issued during fiscal year 2015, was as follows:

Table 15-2 (amounts expressed in thousands)

|   | Par Value<br>of<br>Refunding<br>Issue | Refunding<br>Issue<br>Interest<br>Rates | Par<br>Value<br>of<br>Bonds<br>Refunded | Interest<br>Rates<br>of<br>Bonds<br>Refunded | Debt<br>Service<br>(Increased)/<br>Reduced<br>by<br>Refunding | Refunding<br>Economic<br>Gain/<br>(Loss) | Accounting<br>Gain/(Loss) |
|---|---------------------------------------|---|---|--|---|--|---------------------------|
| <b>Major Component Units</b>                        |                                       |   |   |  |   |  |                           |
| <b>Revenue Bonds</b>                                |                                       |   |   |  |   |  |                           |
| Illinois Housing Development Authority              |                                       |   |   |  |   |  |                           |
| Homeowner Mortgage Revenue Bonds, Series 2014 A & B | \$ 95,945                             | Variable                                | \$ 95,945                               | Variable                                     | \$ 20,556   | \$ 6,410                                 | \$ -                      |
| Housing Bonds, Series 2015 A                        | 66,540                                | Variable                                | 66,540                                  | 1.7% to 5.84%                                | 6,565   | 5,786                                    | -                         |
|   | <u>\$ 162,485</u>                     |   | <u>\$ 162,485</u>                       |  | <u>\$ 27,121</u>  | <u>\$ 12,196</u>                         | <u>\$ -</u>               |
| Southern Illinois University                        |                                       |   |   |  |   |  |                           |
| Medical Facilities System, Series 2015 A            | \$ 13,440                             | 1.65%                                   | \$ 14,455                               | 3.25% to 5.00%                               | \$ 2,414  | \$ 1,983                                 | \$ 39                     |

### C. Prior Year Refundings

In prior years, the State defeased certain callable maturities of general obligation, special obligation, and revenue bonds and certificates of participation by placing the proceeds of new debt in an irrevocable trust to provide for all future debt service payments on the old debt.

Accordingly, the trust account assets and the liability for the defeased debt are not included in the State's financial statements. At June 30, 2015, the outstanding balances of prior year defeased debt were as follows (except for the Illinois State Toll Highway Authority, which is as of December 31, 2014):

| Table 15-3 (amounts expressed in thousands) |                               |   |  |                                   |   |
|---|-------------------------------|---|--|-----------------------------------|---|
|   | <b>Primary<br/>Government</b> | <b>Major Component Units</b>                          |  |                                   |   |
|   |                               | <b>Illinois Housing<br/>Development<br/>Authority</b> | <b>Illinois State<br/>Toll Highway<br/>Authority</b> | <b>University<br/>of Illinois</b> |   |
| General obligation bonds                    | \$ 11,600                     | \$ -  | \$ -   | \$ -                              |   |
| Special obligation bonds                    | 161,010                       | -   | -  | -                                 | - |
| Revenue bonds                               | -                             | 23,045  | 936,535  | 160,460                           |   |
|   | <b>\$ 172,610</b>             | <b>\$ 23,045</b>                                      | <b>\$ 936,535</b>                                    | <b>\$ 160,460</b>                 |   |

## 16 RETIREMENT SYSTEMS

**Plan Descriptions.** The State of Illinois sponsors five public employee retirement systems that are included in the State's financial statements as pension trust funds.

The General Assembly Retirement System ("GARS"), Judges' Retirement System ("JRS"), and State Employees' Retirement System ("SERS") are the administrators of single-employer defined benefit pension plans. The GARS, JRS, and SERS are governed by articles 2, 18, and 14, respectively, of the Illinois Pension Code (40 ILCS 5/1, et al.). GARS includes members of the General Assembly of the State and persons elected to the offices of the Governor, Lieutenant Governor, Secretary of State, Treasurer, Comptroller, and Attorney General for the period of service in such offices and the Clerks and Assistant Clerks of the respective houses of the General Assembly. JRS includes Judges, Associate Judges, and under certain conditions, the Administrative Director of the Illinois Courts. SERS includes employees of State agencies as well as employees of Illinois Toll Highway Authority ("THA") and Illinois Comprehensive Health Insurance Plan ("ICHIP"), both of which are component units of the State. For the purposes of the plan, the component unit employees are considered employees of the State. Due to the THA's December 31 year end, it did not implement GASB Statement No. 68 in the current reporting period.

The Teachers' Retirement System ("TRS") is the administrator of a cost-sharing multiple-employer public employee defined benefit pension plan with a "special funding situation" as described below. TRS provides coverage to personnel in positions that require a certification under the teacher certification law that are employed by public school districts in Illinois (excluding Chicago), special districts and certain State agencies. There are 859 local school districts, 136 special districts, and 18 other State agencies that contribute to the TRS plan.

The State Universities Retirement System ("SURS") is the administrator of a cost-sharing multiple-employer public employee defined benefit pension plan with a "special funding situation" as described below. In addition to the existing traditional benefit option, SURS established an alternative defined benefit program known as the Portable Benefit Option Plan which was effective January 1, 1998. All members who are eligible for the traditional benefit option are eligible for the portable option. New and existing members are provided a window

period in which to make an irrevocable election. The portable option provides an enhanced refund at termination for those who leave SURS with at least five years of service. Offsetting this additional cost is the elimination of the survivor benefit package. This program is designed to be cost-neutral in relation to the traditional option. Approximately 19 thousand of the approximately 81 thousand members have chosen this option.

SURS also became an administrator of a defined contribution plan, effective January 1, 1998, known as the Self-Managed Plan. This plan is offered to employees of all SURS employers who elect to participate. All but two SURS employers participate in the Self-Managed Plan. The Self-Managed Plan is a qualified money purchase plan under Section 401(a) of the Internal Revenue Code. The assets are maintained under a trust administered by the SURS Board of Trustees in accordance with the Illinois Pension Code. Approximately 12 thousand of the approximately 81 thousand active members have chosen this option. \$1.754 billion of the \$19.217 billion total net position relate to the Self-Managed Plan. Plan member contributions were \$72.328 million and the State contributions, along with employer contributions consisting of grant reimbursements, were \$62.333 million for the year ended June 30, 2015. The State, as a nonemployer contributing entity, makes the required employer contribution to SURS on behalf of the Self-Managed Plan employers at a rate of 7.6% of the members' gross earnings. The State's contribution represents 100% of the required contributions to the plan. The State's required contribution is reduced by forfeitures, which for the year ended June 30, 2015, were \$3.445 million.

The SURS provides coverage to faculty and staff of State universities, community colleges, and related agencies, of which some covered employees are not State employees. There are 9 universities, 39 community college districts, and 15 other State agencies that contribute towards the normal actuarially-determined cost of the SURS plan.

The State of Illinois, as a nonemployer contributing entity, is legally mandated to make contributions to TRS and SURS, thus creating a special funding relationship with both plans. TRS and SURS are governed by articles 16 and 15, respectively, of the Illinois Pension Code.

All five of the retirement systems consist of two tiers of contribution requirements and benefit levels based on when an employee was hired. Members who first become an employee and participate under any of the plans on or after January 1, 2011, are members of Tier 2, while Tier 1 consists of employees hired before January 1, 2011, or those who have service credit prior to January 1, 2011. The provisions below apply to both Tier 1 and Tier 2 members, except where noted.

**Benefits Provided.** GARS provides retirement benefits based on the applicable final salary. Members under Tier 1 have vested rights to full retirement benefits beginning at age 55 with at least 8 years of credited service or at age 62 with at least 4 years of credited service. The retirement benefit formula to calculate the retirement annuity is 3.0% for each of the first 4 years of service, 3.5% for each of the next 2 years of service, 4.0% for each of the next 2 years of service, 4.5% for each of the next 4 years of service and 5.0% for each year of service in excess of 12 years. The maximum retirement annuity is 85% of the applicable final salary. Annual automatic increases of 3% of the current amount of retirement annuity are provided. Members under Tier 2 have vested rights to full retirement benefits at age 67 with at least 8 years of credited service or reduced retirement benefits at age 62 with at least 8 years of credited service. The retirement benefit formula to calculate the retirement annuity is 3% for each year of service. The maximum retirement annuity is 60% of the applicable final average salary. Annual automatic increases equal to the lesser of 3% or the annual change in the Consumer Price Index are provided.

GARS also provides survivors' annuity benefits, reversionary annuity benefits, and under certain specified conditions, lump-sum death benefits.

JRS provides retirement benefits based on the applicable final average salary. Members under Tier 1 have vested rights to full retirement benefits at age 60 with at least 10 years of credited service or reduced retirement benefits beginning at age 55. Members also have vested rights to full retirement benefits at age 62 upon completing 6 years of credited service or at age 55 upon completing 26 years of credited service. The retirement benefit formula to calculate the retirement annuity is 3.5% for each of the first 10 years of service, plus 5% for each year of service in excess of 10. The maximum retirement annuity is 85% of the applicable final average salary. Annual automatic increases of 3% of the current amount of retirement annuity are provided. Members under Tier 2 have vested rights to full retirement benefits at age 67 with at least 8 years of credited service or reduced retirement benefits at age 62 with at least 8 years of credited service. The retirement benefit formula to calculate the retirement annuity is 3% for each year of service based upon the applicable final average salary. The maximum retirement annuity is 60% of the applicable final average salary. Annual automatic increases equal to the lesser of 3% or the annual change in the Consumer Price Index are provided.

JRS also provide survivors' annuity benefits, temporary and/or total disability benefits and, under certain specified conditions, lump-sum death benefits.

SERS provides retirement benefits based on the member's final average compensation and the number of years of service credit that have been established. The retirement benefit formula available to general State employees that are covered under the Federal Social Security Act is 1.67% for each year of service and for noncovered employees it is 2.2% for each year of service. Alternative formula employees have a formula of 2.5% for covered service and 3.0% for noncovered service. The maximum retirement annuity payable is 75% of final average compensation for regular employees and 80% for alternative formula employees. The minimum monthly retirement annuity payable is \$15 for each year of covered service and \$25 for each year of noncovered service.

Members in SERS under Tier 1 and Tier 2 receive the following levels of benefits based on the respective age and years of service credits.

| Tier 1   | Tier 2  |
|--|---|
| Regular Formula  | Regular Formula   |
| <p>A member must have a minimum of eight years of service credit and may retire at:</p> <ul style="list-style-type: none"> <li>• Age 60, with 8 years of service credit.</li> <li>• Any age, when the member's age (years &amp; whole months) plus years of service credit (years &amp; whole months) equal 85 years (1,020 months) (Rule of 85) with 8 years of credited service.</li> <li>• Between ages 55-60 with 25-30 years of service credit (reduced 1/2 of 1% for each month under age 60).</li> </ul> <p>The retirement benefit is based on final average compensation and credited service. Final average compensation is the 48 highest consecutive months of service within the last 120 months of service.</p> <p>Under the Rule of 85, a member is eligible for the first 3% increase on January 1 following the first full year of</p> | <p>A member must have a minimum of 10 years of credited service and may retire at:</p> <ul style="list-style-type: none"> <li>• Age 67, with 10 years of credited service.</li> <li>• Between ages 62-67 with 10 years of credited service (reduced 1/2 of 1% for each month under age 67).</li> </ul> <p>The retirement benefit is based on final average compensation and credited service. For regular formula employees, final average compensation is the average of the 96 highest consecutive months of service within the last 120 months of service. The retirement benefit is calculated on a maximum salary of \$106,800. This amount increases annually by 3% or one-half of the Consumer Price Index, whichever is less.</p> <p>If the member retires at age 67 or older, he/she will receive a pension increase of 3% or one-half of the Consumer Price Index for the preceding calendar year, whichever is less,</p> |

| <p>retirement, even if the member is not age 60. If the member retires at age 60 or older, he/she will receive a 3% pension increase every year on January 1, following the first full year of retirement.</p> <p>If the member retires before age 60 with a reduced retirement benefit, he/she will receive a 3% pension increase every January 1 after the member turns age 60 and has been retired at least one full year. These pension increases are not limited by the 75% maximum.</p>   | <p>every year on January 1, following the first full year of retirement. The calendar year 2014 rate is \$110,631.</p> <p>If the member retires before age 67 with a reduced retirement benefit, he/she will receive a pension increase of 3% or one-half of the Consumer Price Index for the preceding calendar year, whichever is less, every January 1 after the member turns age 67 and has been retired at least one full year. These pension increases are not limited by the 75% maximum.</p>   |
|---|--|
| Alternative Formula   | Alternative Formula  |
| <p>Members eligible for the alternative formula may retire at age 50 with 25 years of service credit, or at age 55 with 20 years of service credit.</p> <p>Final average compensation is figured one of three ways:</p> <ul style="list-style-type: none"> <li>• The average of the highest 48 consecutive months over the last 120 months of service (for members in service prior to January 1, 1998).</li> <li>• Average of last 48 months of service.</li> <li>• Final rate of pay: cannot exceed the average of the last 24 months of pay by 115%.</li> </ul> <p>Alternative formula retirees receive their first 3% pension increase on January 1 following the first full year of retirement after age 55. These increases are not limited by the 80% maximum.</p> | <p>Members eligible for the alternative formula may retire at age 60 with 20 years of service.</p> <p>Final average compensation is the average monthly salary during the 96 highest consecutive months of service within the last 120 months. The retirement benefit is calculated on a maximum salary of \$106,800. This amount increases annually by 3% or one-half of the Consumer Price Index, whichever is less. The calendar year 2014 rate is \$110,631.</p> <p>Alternative formula retirees receive their first pension increase of 3% or one-half of the Consumer Price Index for the preceding calendar year, whichever is less, following the first year of retirement after age 60. These increases are not limited by the 80% maximum.</p> |

SERS also provides occupational and nonoccupational (including temporary) disability benefits. To be eligible for nonoccupational (including temporary) disability benefits, an employee must have at least 18 months of credited service with the System. The nonoccupational (including temporary) disability benefit is equal to 50% of the monthly rate of compensation of the employee on the date of removal from the payroll. Occupational disability benefits are provided when the member becomes disabled as a direct result of injuries or diseases arising out of and in the course of State employment. The monthly benefit is equal to 75% of the monthly rate of compensation on the date of removal from the payroll. This benefit amount is reduced by Workers' Compensation or payments under the Occupational Diseases Act.

Occupational and nonoccupational death benefits are also available through SERS. Certain nonoccupational death benefits vest after 18 months of credited service. Occupational death benefits are provided from the date of employment.

TRS provides retirement benefits, whereby, most members retire under a formula that provides 2.2% of final average salary up to a maximum of 75% with 34 years of service. Under Tier 1, a member qualifies for an age retirement annuity after reaching age 62 with 5 years of credited service, age 60 with 10 years of credited service, or age 55 with 20 years of credited service. If a member retires between the ages of 55 and 60 with fewer than 35 years of service the annuity will be reduced one-half percent for each month the member is under age 60. The retirement benefit is based on the final average salary, which is the average salary for the highest 4 consecutive years within the last 10 years of credible service. Annual automatic increases equal to 3% are provided to essentially all retirees. Under Tier 2, a member qualifies for an age retirement annuity after reaching age 62 with 10 years of credited service, at a discounted rate, or age 67 with 10 years of credited service. The retirement benefit is based on the final average salary, which for Tier 2 is the average salary for the highest 8 consecutive years within the last 10 years

of credible service. Annual automatic increases equal to the lesser of 3% or one half of the Consumer Price Index with the adjustment applied to the original benefit are provided to Tier 2 retirees. Disability and death benefits are also provided by TRS.

SURS provides retirement benefits based on the applicable final salary under the defined benefit plan. Members under Tier 1 have vested rights to full retirement benefits at age 62 with at least 5 years of credited service, age 60 with at least 8 years of credited service, or at any age with at least 30 years of credited service. The retirement benefit is based on the final average salary, which for Tier 1 is the average salary for the highest 4 consecutive years of credible service or the average salary for the last 48 months prior to termination. The retirement benefit formula to calculate the retirement annuity for general employees is 2.2% of the Tier 1 final average salary up to a maximum of 80%. Annual automatic increases of 3% of the current amount of retirement annuity are provided. Members under Tier 2 have vested rights to full retirement benefits at age 67 with 10 years of credited service. The retirement benefit is based on the final average salary, which for Tier 2 is the average salary for the highest 8 consecutive years within the last 10 years of credited service. The retirement benefit formula to calculate the retirement annuity for general employees is 2.2% of the Tier 2 final average salary up to a maximum of 80%. Annual automatic increases equal to the lesser of 3% or one half of the Consumer Price Index are provided to Tier 2 retirees.

SURS offers retirement benefits under the Self-Managed Plan payable when members meet the minimum vesting requirements of 5 years of service credit at age 62, 8 years of service credit at age 55, or 30 years of service credit regardless of age. The distribution options available upon reaching retirement eligibility are a lump sum distribution consisting of all employee and employer contributions and related investment earnings; a single life annuity; a 50% or 100% joint and survivor annuity; a single life annuity with a guaranteed period of 10, 15, or 20 years as elected by the member; and a 50% or 100% joint and survivor annuity with a guaranteed period of 10, 15, or 20 years as elected by the member.

SURS also provides disability and death benefits under all plans. Disability benefits are payable to all members with at least two years of credited service and are payable at a rate of 50% of the monthly rate of compensation on the date the disability began. Disability benefits are reduced by any payments under the Workers' Compensation or the Occupational Diseases Act. Death benefits are payable upon the death of any member of the plan. If the member has less than 1.5 years of credited service, the death benefit payable is the employee contributions and related investment earnings. If the member has 1.5 or more years of credited service, the death benefit payable is the employee and employer contributions and related investment earnings.

As of the measurement date June 30, 2014, the following employees were covered by the defined benefit terms of each system, respectively:

Table 16-1 (amounts expressed in thousands)

|   | GARS | JRS   | SERS    | TRS     | SURS    |
|---|------|-------|---------|---------|---------|
| Retirees and beneficiaries receiving benefits               | 421  | 1,100 | 66,609  | 112,333 | 59,406  |
| Inactive members entitled to but not yet receiving benefits | 74   | 19    | 4,178   | 122,964 | 75,492  |
| Active employees  | 158  | 951   | 62,844  | 159,838 | 69,436  |
| Total   | 653  | 2,070 | 133,631 | 395,135 | 204,334 |

Each plan also issues a publicly available financial report that includes financial statements and required supplementary information for that plan. Those reports are available on the respective plan websites or may be obtained by writing or calling the plan as follows:

- General Assembly Retirement System and Judges' Retirement System, 2101 South Veterans Parkway, PO Box 19255, Springfield, Illinois, 62794-9255, (217) 782-8500 or [www.srs.illinois.gov](http://www.srs.illinois.gov).
- State Employees' Retirement System, 2101 South Veterans Parkway, PO Box 19255, Springfield, Illinois, 62794-9255, (217) 785-2340 or [www.srs.illinois.gov](http://www.srs.illinois.gov).
- Teachers' Retirement System, 2815 West Washington Street, PO Box 19253, Springfield, Illinois, 62794-9253, (217) 753-0311 or [www.trs.illinois.gov](http://www.trs.illinois.gov).
- State Universities Retirement System, 1901 Fox Drive, Champaign, Illinois, 61820-7333, (217) 378-8800 or [www.surs.com](http://www.surs.com).

**Funding Policy and Contributions:** Member contributions are based on fix percentages set by statute. The State's funding requirements have been established by statute (Public Act 88-593) effective July 1, 1995 and provide for a systematic 50-year funding plan with an ultimate goal to achieve "90% funding" of the systems' liabilities. In addition, the funding plan provided for a 15-year phase-in period to allow the State to adapt to the increased financial commitment. Since the 15-year phase-in period ended June 30, 2010, the State's contribution will remain at a level percentage of payroll for the next 35 years until the 90% funded level is achieved. However, Public Act 94-0004 decreased the required funding levels for fiscal years 2006 and 2007 to \$938.400 million and \$1.375 billion, respectively, and required the State's contribution to increase in equal annual increments from fiscal years 2008 to 2010, so that by fiscal year 2011, the State would be contributing at the rate otherwise required by State law. Pursuant to Public Act 93-0002, the State issued general obligation bonds, the proceeds of which were used to fund \$300 million of the State's fiscal year 2003 required annual statutory contribution and \$1.860 billion of the State's fiscal year 2004 required annual statutory contribution, as well as to contribute \$7.317 billion to the retirement systems in fiscal year 2004 to fund a portion of the State's unfunded liability. In fiscal year 2010, pursuant to Public Act 96-0043, the State made contributions from general obligation bond proceeds of \$3.452 billion to the retirement systems to fund a portion of the State's required annual statutory contribution. In fiscal year 2011, pursuant to Public Act 96-1497, the State made contributions from general obligation bond proceeds of \$3.684 billion to the retirement systems to fund a portion of the State's required annual statutory contribution. The State met its funding requirement established by *statutory law* for the fiscal year ended June 30, 2015. Actual contributions varied slightly from contributions required by statute mainly because of differences between estimated and actual federal contributions.

The current statutory law includes a "continuing appropriation," which means that the State must automatically provide funding to the pension systems based on actuarial cost requirements and amortization of the unfunded liability without being subject to the General Assembly's appropriation process.

The contribution rates/amounts established by statute for both plan members and the State of Illinois for the fiscal year ended June 30, 2015, are shown in Table 16-2.

| Table 16-2 (amounts expressed in thousands) |                                     |                                    |
|---|-------------------------------------|------------------------------------|
| Contribution Rates/Amounts                  |                                     |                                    |
| Plan  | Member<br>(% of Covered<br>Payroll) | State<br>(Statutorily<br>Required) |
| GARS  | 11.50%                              | \$ 15,809                          |
| JRS   | 11.00%                              | \$ 133,982                         |
| SERS  | 4.00% - 12.50%                      | \$ 1,802,495                       |
| TRS   | 9.40%                               | \$ 3,377,665                       |
| SURS  | 8.00% - 9.50%                       | \$ 1,488,591                       |

For GARS, JRS and SERS, employee contributions are fully refundable, without interest, upon withdrawal from State employment. Tier 1 members contribute based on total annual compensation. Tier 2 members under GARS and JRS contribute based on an annual compensation rate not to exceed \$106,800 with limitations for future years increased by the lesser of 3% or the annual percentage increase in the Consumer Price Index. For 2015 this amount was \$115,481. Tier 2 members under SERS contribute based on an annual compensation rate not to exceed \$106,800 with limitations for future years increased by the lesser of 3% or one-half of the annual percentage increase in the Consumer Price Index. For 2015, this amount was \$111,572.

For TRS, employee contributions are fully refundable, without interest, upon withdrawal from applicable employment. For Tier 1 members, there is no annual compensation limit on contributions. For Tier 2 members, annual compensation on which contributions are taken cannot exceed \$106,800. This amount increases annually by the lesser of 3% or one-half of the annual percentage increase in the Consumer Price Index. For 2015, this amount was \$111,572.

For SURS, a lump sum refund is available to all members upon withdrawal from applicable employment. Under the traditional Tier 1 and Tier 2 benefit package, this refund consists of all member contributions and interest at 4.5%. For Tier 1 members, there is no annual compensation limit on contributions. For Tier 2 members, annual compensation on which contributions are taken cannot exceed \$106,800. This amount increases annually by the lesser of 3% or one-half of the annual percentage increase in the Consumer Price Index. For 2015, this amount was \$111,572.

Under the SURS Self-Managed Plan, upon termination of service with less than five years of credited service, a lump sum distribution is available consisting of employee contributions and related investment earnings. The employer contributions and related investment earnings are forfeited. Upon termination of service with greater than five years of credited service but where the member is not yet eligible for retirement, a lump sum distribution is available consisting of employee and employer contributions and related investment earnings.

**Pension liability, deferred outflows of resources, deferred inflows of resources and expense related to pensions.** The net pension liability for each plan, as reported at June 30, 2015, was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the dates presented in Table 16-8.

GARS, JRS and SERS are administrators of single-employer defined benefit pension plans for which schedules of changes in the net pension liability, as of the measurement date, are presented below:

| Table 16-3 (amounts expressed in thousands)                                       |                   |                     |                      |         |
|---|-------------------|---------------------|----------------------|---------|
|   | GARS              | JRS                 | SERS <sup>A</sup>    |         |
| <b>Total pension liability</b>  |                   |                     |                      |         |
| Service cost  | \$ 5,383          | \$ 57,139           | \$ 776,488           |         |
| Interest on total pension liability   | 20,111            | 145,994             | 2,754,122            |         |
| Differences between expected and actual experience                                | 12,389            | 4,490               | 150,997              |         |
| Assumption changes  | -                 | -                   | 3,142,466            |         |
| Benefit payments  | (20,800)          | (118,591)           | (1,917,062)          |         |
| Refunds   | (245)             | (688)               | (23,083)             |         |
| Administrative expenses   | (335)             | (832)               | (16,615)             |         |
| <b>Net change in total pension liability</b>                                      | <b>16,503</b>     | <b>87,512</b>       | <b>4,867,313</b>     |         |
| <b>Total pension liability - June 30, 2013</b>                                    | <b>381,000</b>    | <b>2,143,752</b>    | <b>36,817,773</b>    |         |
| <b>Total pension liability - June 30, 2014 (a)</b>                                | <b>\$ 397,503</b> | <b>\$ 2,231,264</b> | <b>\$ 41,685,086</b> |         |
| <b>Plan fiduciary net position</b>  |                   |                     |                      |         |
| Contributions - employer  | \$ 13,957         | \$ 126,816          | \$ 1,699,448         |         |
| Contributions - participant   | 1,503             | 15,919              | 269,232              |         |
| Net investment income   | 8,363             | 110,059             | 2,169,346            |         |
| Benefit payments  | (20,800)          | (118,591)           | (1,917,062)          |         |
| Refunds   | (245)             | (688)               | (23,083)             |         |
| Administrative expense  | (335)             | (832)               | (16,615)             |         |
| <b>Net change in plan fiduciary net position</b>                                  | <b>2,443</b>      | <b>132,683</b>      | <b>2,181,266</b>     |         |
| <b>Plan fiduciary net position - June 30, 2013</b>                                | <b>54,347</b>     | <b>643,330</b>      | <b>12,400,300</b>    |         |
| <b>Plan fiduciary net position - June 30, 2014 (b)</b>                            | <b>\$ 56,790</b>  | <b>\$ 776,013</b>   | <b>\$ 14,581,566</b> |         |
| <b>State's net pension liability - ending (a) - (b)</b>                           | <b>\$ 340,713</b> | <b>\$ 1,455,251</b> | <b>\$ 27,103,520</b> |         |
| <b>Plan fiduciary net position as a percentage of the total pension liability</b> |                   | 14.29%              | 34.78%               | 34.98%  |
| Covered-employee payroll  | \$ 12,778         | \$ 172,846          | \$ 4,416,153         |         |
| <b>State's net pension liability as a percentage of covered payroll</b>           |                   | 2666.40%            | 841.94%              | 613.74% |

<sup>A</sup> The amounts represent the collective changes in the net pension liability for the State, including THA and ICHIP.

The primary government of the State reported a net pension liability at June 30, 2015, related to GARS and JRS totaling \$340.713 million and \$1.455 billion, respectively.

Related to SERS, the State reported a collective net pension liability of \$27.104 billion. Of this amount, \$26.368 billion is reported by the primary government, while \$727.079 million and \$9.215 million represent liabilities of the THA and ICHIP, respectively. Due to the THA's December 31 year end, it did not implement GASB Statement No. 68 or report its portion of the net pension liability in the current reporting period.

TRS is an administrator of a cost-sharing multiple-employer defined benefit pension plan. As a nonemployer contributing entity, at June 30, 2015, the primary government reported a liability of \$58.648 billion for its proportionate share of the collective net pension liability for the TRS plan. The State's proportionate share of the collective net pension liability was based on the actual contributions relative to actual contributions of all participating employers made to the TRS plan during the fiscal year. At June 30, 2014, the measurement date, the State's proportionate share was 96.369% for the TRS plan, which was an increase of 0.792% from its proportion measured as of the prior year measurement date of June 30, 2013.

Additionally, as the TRS plan includes certain employees of State agencies who are not members in one of the other State public employee retirement systems, the primary government reported an

additional liability of \$62.084 million for its proportionate share of the collective net pension liability associated with State employees participating in the plan. The State's proportionate share of the collective net pension liability was based on the actual employer contributions made to the TRS plan during fiscal year 2014. At June 30, 2014, the measurement date, the State's proportionate share related to employer contributions was 0.102%, which was a decrease of 2.932% from its proportion measured as of the prior year measurement date of June 30, 2013. SURS is an administrator of a cost-sharing multiple-employer defined benefit pension plan. For employees paid from trust, grant or federal funds, the employer must make pension contributions from those funds sufficient to cover the accruing normal costs of the plan. The State's contributions fund the normal actuarially-determined cost of the plan plus the amortization of the historical unfunded liability. The State has been allocated 100% of the net pension liability and reports the amount as a long-term obligation within the Statement of Net Position. At June 30, 2015, as a nonemployer contributing entity, the primary government reported a net pension liability of \$21.791 billion.

As a result of the State's contribution requirements for all of the plans, the State recognized pension expense for the year ended June 30, 2015, as follows:

| Table 16-4 (amounts expensed in thousands) |                 |  |
|--|-----------------|--|
| Plan                                       | Pension Expense |  |
| GARS                                       | \$ 24,242       |  |
| JRS  | \$ 129,653      |  |
| SERS <sup>^</sup>                          | \$ 2,776,076    |  |
| TRS <sup>^^</sup>                          | \$ 4,633,611    |  |
| SURS                                       | \$ 1,650,338    |  |

<sup>^</sup> The amount represents the collective pension expense for the State, including THA and ICHIP.  
<sup>^^</sup> The amount represents the State's nonemployer and employer pension expense.

At June 30, 2015, the State reported deferred outflows and deferred inflows of resources related to each plan, as of the measurement date of June 30, 2014, from the following sources:

|   | Table 16-5 (amounts expressed in thousands) |                               |                                |                               |                                |                               |                                |                               |                                |                               |                                |                               |
|---|---|-------------------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
|   | GARS  |                               | JRS                            |                               | SERS <sup>^</sup>              |                               |                                | TRS <sup>^^</sup>             |                                |                               | SURS                           |                               |
|   | Deferred Outflows of Resources              | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience  | \$ 7,585                                    | \$ -                          | \$ 3,390                       | \$ -                          | \$ 118,090                     | \$ -                          | \$ 31,013                      | \$ -                          | \$ -                           | \$ -                          | \$ -                           | \$ -                          |
| Changes of assumptions  | -   | -                             | -                              | -                             | 2,457,624                      | -                             | -                              | -                             | -                              | 88,941                        | -                              | -                             |
| Net difference between projected and actual investment earnings on pension plan investments                   | -   | 3,810                         | -                              | 51,398                        | -                              | 966,296                       | -                              | 2,950,642                     | -                              | -                             | 1,271,106                      | -                             |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | -   | -                             | -                              | -                             | -                              | -                             | 382,896                        | 2,444                         | -                              | -                             | -                              | -                             |
| State contributions subsequent to the measurement date  | 15,871                                      | -                             | 134,040                        | -                             | 1,804,319                      | -                             | 3,380,512                      | -                             | 1,488,592                      | -                             | -                              | -                             |
| <b>Total</b>  | <b>\$ 23,456</b>                            | <b>\$ 3,810</b>               | <b>\$ 137,430</b>              | <b>\$ 51,398</b>              | <b>\$ 4,380,033</b>            | <b>\$ 966,296</b>             | <b>\$ 3,794,421</b>            | <b>\$ 2,953,086</b>           | <b>\$ 1,577,533</b>            | <b>\$ 1,271,106</b>           |                                |                               |

<sup>^</sup> The amounts represent the collective deferred outflows and inflows of resources for the State, including THA and ICHIP.  
<sup>^^</sup> The amounts represent the State's employer and nonemployer proportionate share of the deferred outflows and deferred inflows of resources.

The deferred outflows and deferred inflows of resources for SERS presented above are further allocated between the primary government and its component units in the table below:

|   | Table 16-6 (amounts expressed in thousands) |                               |                                |                               |                                |                               |                                |                               |  |
|---|---|-------------------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|--|
|   | Primary Government                          |                               | THA^                           |                               | ICHIP                          |                               | SERS Total                     |                               |  |
|   | Deferred Outflows of Resources              | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |  |
| Differences between expected and actual experience  | \$ 114,882                                  | \$ -                          | \$ 3,168                       | \$ -                          | \$ 40                          | \$ -                          | \$ 118,090                     | \$ -                          |  |
| Changes of assumptions  | 2,390,859                                   | -                             | 65,929                         | -                             | 836                            | -                             | 2,457,624                      | -                             |  |
| Net difference between projected and actual investment earnings on pension plan investments                   | -   | 940,045                       | -                              | 25,922                        | -                              | 329                           | -                              | 966,296                       |  |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | (27,021)                                    | -                             | 27,002                         | -                             | 19                             | -                             | -                              | -                             |  |
| State contributions subsequent to the measurement date  | 1,755,579                                   | -                             | 48,300                         | -                             | 440                            | -                             | 1,804,319                      | -                             |  |
| <b>Total</b>  | <b>\$ 4,234,299</b>                         | <b>\$ 940,045</b>             | <b>\$ 144,399</b>              | <b>\$ 25,922</b>              | <b>\$ 1,335</b>                | <b>\$ 329</b>                 | <b>\$ 4,380,033</b>            | <b>\$ 966,296</b>             |  |

<sup>^</sup> Due to the THA's December 31 year end, it did not implement GASB Statement No. 68 or report its portion of the deferred outflows and inflows in the current reporting period.

The amounts reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Table 16-7 (amounts expressed in thousands) |                 |                    |                     |                       |                       |  |
|---|-----------------|--------------------|---------------------|-----------------------|-----------------------|--|
| Year ended June 30,                         | GARS            | JRS                | SERS^               | TRS^^                 | SURS                  |  |
| 2016  | \$ 3,852        | \$ (11,750)        | \$ 476,175          | \$ (637,790)          | \$ (276,132)          |  |
| 2017  | 1,827           | (11,750)           | 476,175             | (637,790)             | (276,132)             |  |
| 2018  | (952)           | (11,750)           | 476,175             | (637,790)             | (312,125)             |  |
| 2019  | (952)           | (12,758)           | 180,893             | (637,790)             | (317,776)             |  |
| 2020  | -               | -                  | -                   | 11,983                | -                     |  |
| <b>Total</b>                                | <b>\$ 3,775</b> | <b>\$ (48,008)</b> | <b>\$ 1,609,418</b> | <b>\$ (2,539,177)</b> | <b>\$ (1,182,165)</b> |  |

<sup>^</sup> The amounts represent the collective deferred outflows and inflows of resources for the State, including THA and ICHIP, to be recognized as expense in future years.

<sup>^^</sup> The amounts represent the State's employer and nonemployer proportionate share of deferred outflows and deferred inflows of resources to be recognized as expense in future years.

**Actuarial Methods and Assumptions.** Actual valuations of an ongoing retirement system involve estimates and calculations of the value of reported amounts and assumptions about the probability of occurrence of events on a long-term perspective. Examples include assumptions about future employment and mortality. Amounts determined regarding the net pension liability of the retirement systems are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the types of benefits provided and the cost sharing between the employer and plan members at the time of each valuation and do not include the potential effects of legal or contractual funding. Information about actuarial methods and assumptions used in the actuarial valuation of the plan is presented in Table 16-8.

|   | GARS   | JRS  | SERS  | TRS  | SURS                                       |
|---|--|--|---|--|--|
| Valuation date  | 6/30/2014  | 6/30/2014  | 6/30/2014   | 6/30/2013*                                       | 6/30/2013*                                 |
| Measurement date  | 6/30/2014  | 6/30/2014  | 6/30/2014   | 6/30/2014  | 6/30/2014                                  |
| Actuarial cost method   | Entry Age  | Entry Age  | Entry Age   | Entry Age  | Entry Age                                  |
| Actuarial assumptions:  |  |  |   |  |  |
| Investment rate of return   | 7.0%   | 7.0%   | 7.25%   | 7.5%   | 7.25%                                      |
| Projected salary increases**  | 3.5%   | 3.75%  | 3.50% - 7.92%   | 4.75% - 9.9%                                     | 3.75% - 12.0%                              |
| Inflation rate  | 3.0%   | 3.0%   | 3.0%  | 3.0%   | 2.75%                                      |
| Postretirement benefit increases  |  |  |   |  |  |
| Tier 1  | 3%, compounded   | 3%, compounded   | 3%, compounded  | 3%, compounded                                   | 3%   |
| Tier 2  | Lesser of 3% or<br>annual increase in<br>CPI <sup>A</sup> , compounded   | Lesser of 3% or<br>annual increase in<br>CPI <sup>A</sup> , compounded | Lesser of 3% or<br>1/2 of CPI,<br>on original benefit | Lesser of 3% or<br>1/2 of CPI,<br>not compounded | Lesser of 3% or<br>1/2 of CPI <sup>A</sup> |
| Retirement age experience<br>study ^  | July 2006 - June 2012  | July 2006 - June 2012  | July 2009 - June 2013                                 | July 2006 - June 2011                            | July 2006 - June 2010                      |
| Mortality^mm  |  |  |   |  |  |
| GARS  | RP-2000 Combined Healthy Mortality Table, sex distinct, projected to 2015 (static table) setback 3 years for males and 2 years for females       |  |   |  |  |
| JRS   | RP-2000 Combined Healthy Mortality Table, sex distinct, projected to 2015 (static table) setback 3 years for males and 2 years for females       |  |   |  |  |
| SERS  | 105 percent of the RP 2014 Healthy Annuitant table, sex distinct, with rates projected to 2015   |  |   |  |  |
| TRS   | RP - 2000 Mortality Tables with future mortality improvements on a generational basis  |  |   |  |  |
| SURS  | RP - 2000 Combined Mortality Table, projected with Scale AA to 2017, sex distinct, with rates multiplied by 0.80 for males and 0.85 for females. |  |   |  |  |
| * The total pension liability is based on an actuarial valuation date of June 30, 2013, rolled-forward to the measurement date using generally accepted actuarial procedures. |  |  |   |  |  |
| ** Includes inflation rate listed.  |  |  |   |  |  |
| <sup>A</sup> Consumer Price Index   |  |  |   |  |  |
| ^m The actuarial assumptions used in the respective actuarial valuations are based on the results of actuarial experience studies for the periods defined.                    |  |  |   |  |  |
| ^mm Mortality rates are based on mortality tables published by the Society of Actuaries' Retirement Plans Experience Committee.   |  |  |   |  |  |

**Long-term expected return on plan assets.** The investments of GARS, JRS and SERS are managed by the Illinois State Board of Investment (“ISBI”), thus the long-term expected rate of return on pension plan investments is determined for the pool of investments. The long-term expected rate of return on pension plan investments is determined using the best estimates of geometric real rates of return for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. For each major asset class that is included in the pension plans’ target asset allocation, calculated as of the measurement date of June 30, 2014, the best estimates of geometric real rates of return are summarized in the following table:

| Asset Class          | Target Allocation | Long-Term Expected Real Rate of Return |
|----------------------|-------------------|--|
| U.S. Equity          | 30%               | 5.69%                                  |
| Fixed Income         | 20%               | 1.62%                                  |
| Hedge Funds          | 10%               | 4.00%                                  |
| International Equity | 20%               | 6.23%                                  |
| Real Estate          | 10%               | 5.50%                                  |
| Infrastructure       | 5%                | 6.00%                                  |
| Private Equity       | 5%                | 10.10%                                 |
| <b>Total</b>         | <b>100%</b>       |  |

The long-term expected rate of return assumption on pension plan investments under the TRS plan was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2014, that were used by the actuary are summarized in the following table:

| Asset Class                    | TRS               |  |
|--------------------------------|-------------------|--|
|                                | Target Allocation | Long-Term Expected Real Rate of Return |
| U.S. Large Cap                 | 18%               | 8.23%                                  |
| Global Equity Excluding U.S.   | 18%               | 8.58%                                  |
| Aggregate bonds                | 16%               | 2.27%                                  |
| U.S. TIPS                      | 2%                | 3.52%                                  |
| NCREIF                         | 11%               | 5.81%                                  |
| Opportunistic Real Estate      | 4%                | 9.79%                                  |
| ARS                            | 8%                | 3.27%                                  |
| Risk Parity                    | 8%                | 5.57%                                  |
| Diversified Inflation Strategy | 1%                | 3.96%                                  |
| Private Equity                 | 14%               | 13.03%                                 |
| <b>Total</b>                   | <b>100%</b>       |  |

The long-term expected rate of return on pension plan investments under the SURS plan is determined using a building-block method, which includes best estimate ranges of expected future real rates of return, developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2014, the measurement date, the best estimate of the expected geometric real rate of return is summarized in the following table:

| Asset Class                               | SURS                        |  |
|---|-----------------------------|--|
|   | Strategic Policy Allocation | Long-Term Expected Real Rate of Return |
| U.S. Equity                               | 31%                         | 7.65%                                  |
| Non U.S. Equity                           | 21%                         | 7.85%                                  |
| Global Equity                             | 8%                          | 7.90%                                  |
| Fixed Income                              | 19%                         | 2.50%                                  |
| Treasury-Inflation Protection Securities  | 4%                          | 2.30%                                  |
| Real Estate                               | 6%                          | 6.20%                                  |
| REITS                                     | 4%                          | 6.20%                                  |
| Private Equity                            | 6%                          | 8.65%                                  |
| Opportunity Fund                          | 1%                          | 2.50%                                  |
| <b>Total</b>                              | <b>100%</b>                 | <b>5.00%</b>                           |
| <b>Inflation</b>                          |                             | <b>2.75%</b>                           |
| <b>Expected Geometrical Normal Return</b> |                             | <b>7.75%</b>                           |

**Discount Rate.** The discount rate used to measure the total pension liability for each system as calculated using the June 30, 2014, measurement date is shown in Table 16-12. These single discount rates were based on the expected rate of returns on pension plan investments as noted in Table 16-8 and a municipal bond rate of 4.29% based on an index of 20 year general obligation

bonds with an average AA credit rating as published by the Federal Reserve. The projection of cash flows used to determine the discount rates assumed that contributions will be made based on the statutorily required rates under Illinois law for each of the plans. Based on these assumptions, it has been determined that the fiduciary net position and future contributions will be sufficient to finance the benefit payments through the year 2030, 2057, 2066 and 2065 for GARS, JRS, SERS, and SURS, respectively. As a result, the long-term expected rate of return on pension plan investments has been applied through the respective year for each plan, at which time, the municipal bond rate has been applied to all remaining benefit payments. For TRS, the plan's fiduciary net position is deemed sufficient to provide for all benefit payments to current plan members. As such, the discount rate, which is equivalent to the long-term expected rate of return, has been applied to all benefit payments for the liability calculation.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate.** The net pension liability for each system calculated using the stated discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate are shown in Table 16-12 below:

| Table 16-12 (amounts expressed in thousands) |                                    |                |  |                             |                |
|--|------------------------------------|----------------|--|-----------------------------|----------------|
| Plan   | Current<br>Discount<br>Rate<br>(%) | 1%<br>Decrease |  | Current<br>Discount<br>Rate | 1%<br>Increase |
| GARS   | 5.11%                              | \$ 390,590     |  | \$ 340,713                  | \$ 299,186     |
| JRS  | 6.89%                              | \$ 1,699,450   |  | \$ 1,455,251                | \$ 1,247,288   |
| SERS <sup>^</sup>                            | 7.09%                              | \$ 32,657,135  |  | \$ 27,103,520               | \$ 22,490,815  |
| TRS <sup>^^</sup>                            | 7.50%                              | \$ 72,504,390  |  | \$ 58,710,342               | \$ 47,287,297  |
| SURS   | 7.09%                              | \$ 26,583,701  |  | \$ 21,790,983               | \$ 17,796,571  |

<sup>^</sup> The amounts represent the collective net pension liability for the State, including THA and ICHIP.  
<sup>^^</sup> The amounts represent the State's employer and nonemployer proportionate share of the net pension liability.

**Payables to the pension plan.** At June 30, 2015, the State reported the following payable amounts to the retirement systems for the outstanding amount of contributions to the pension plans required for the year ended June 30, 2015.

| Table 16-13 (amounts expressed in thousands) |                            |         |
|--|----------------------------|---------|
| Plan   | Payable to<br>pension plan |         |
| GARS   | \$                         | 659     |
| JRS  | \$                         | 5,583   |
| SERS <sup>^</sup>                            | \$                         | 109,810 |
| TRS <sup>*</sup>                             | \$                         | 344,042 |
| SURS   | \$                         | 181,778 |

<sup>^</sup> Amount represents the collective payable for the State, including THA and ICHIP, to the pension plan.  
<sup>\*</sup> Amount represents the State's nonemployer payable to the plan.

## 17 POSTEMPLOYMENT BENEFITS

**Plan Description.** The State Employees Group Insurance Act of 1971 ("Act"), as amended, authorizes the State to provide health, dental, vision, and life insurance benefits for certain retirees and their dependents. Substantially all State and university component unit employees

become eligible for these other postemployment benefits (“OPEB”) if they eventually become annuitants of one of the State sponsored pension plans. The Department of Central Management Services administers these benefits for annuitants with the assistance of the public retirement systems sponsored by the State (General Assembly Retirement System, Judges’ Retirement System, State Employees’ Retirement System, Teachers’ Retirement System, and the State Universities Retirement System). The portions of the Act related to OPEB establishes a cost-sharing multiple-employer defined benefit OPEB plan with a special funding situation for employees of the State’s component unit universities. The plan does not issue a stand-alone financial report.

The health, dental, and vision benefits provided to and contribution amounts required from annuitants are the result of collective bargaining between the State and the various unions representing the State’s and the university component units’ employees in accordance with limitations established in the Act. Therefore, the benefits provided and contribution amounts are subject to periodic change. The Act requires the State to provide life insurance benefits for annuitants equal to their annual salary as of the last day of employment until age 60, at which time the benefit amount becomes \$5,000.

In accordance with the Act, the State contributes toward the cost of an annuitant’s coverage under the basic program of group health, dental, and vision benefits an amount equal to five percent of that cost for each full year of creditable service up to a maximum of one hundred percent for an annuitant with twenty or more years of creditable service. For fiscal year 2015, the annual cost of the basic program of group health, dental, and vision benefits before the State’s contribution was \$9,093.84 (\$4,590.00 if Medicare eligible) if the annuitant chose benefits provided by a health maintenance organization and \$11,908.56 (\$4,310.16 if Medicare eligible) if the annuitant chose other benefits.

Public Act 97-0695, effective July 1, 2012, altered the contributions to be paid by the State, annuitants, survivors, and retired employees under the State Employees Group Insurance Act. Public Act 97-0695 also required the Director of Central Management Services to determine annually the amount the State would contribute toward the basic program of group health benefits. The remainder of the cost of coverage was to be the responsibility of the annuitant, survivor or retired employee. Several lawsuits were subsequently filed challenging the constitutionality of this act.

The costs were assessed to the annuitants, survivors or retired employees beginning July 1, 2013. In accordance with the July 2, 2013 Sangamon County Circuit Court order, the State established a trust fund to hold the disputed additional health insurance premiums received. On July 3, 2014, the Illinois Supreme Court sent the case back to the circuit court for further action, and on August 29, 2014, the circuit court directed the State Employees’ Retirement System to discontinue withholding, as soon as possible, the retiree and survivor health insurance premiums that were in effect since July 2013. On November 21, 2014, the circuit court ordered the State to implement a plan to refund the premiums collected.

**Funding Policy and Annual OPEB Cost.** The State is not required to fund the plan other than the pay-as-you-go amount necessary to provide the current benefits to retirees.

The State’s lack of funding requirement differs significantly from the annual OPEB cost (“AOPEBC”) as pay-as-you-go does not conform to the GASB Statement No. 45 accounting parameters. The State’s AOPEBC for the current year and related information is included in Table 17-1.

Table 17-1 (amounts expressed in thousands)

|   |               |
|---|---------------|
| Actuarially required contribution ("ARC")                                 | \$ 2,170,058  |
| Plus: Interest on net other postemployment benefits obligation ("NOPEBO") | 472,143       |
| Adjustment to the ARC   | (349,736)     |
| Annual other postemployment benefits cost                                 | 2,292,465     |
| Benefits paid during the year   | (809,876)     |
| Increase in NOPEBO  | 1,482,589     |
| NOPEBO at June 30, 2014   | 10,492,063    |
| NOPEBO at June 30, 2015   | \$ 11,974,652 |

The annual other postemployment benefits cost, the percentage of annual other postemployment benefits cost contributed for the year, and the net other postemployment benefits obligation at the end of the year for the current fiscal year and the two preceding fiscal years are presented in the following Table 17-2.

Table 17-2 (amounts expressed in thousands)

| <b>Annual Other Postemployment Benefits Cost ("AOPEBC")</b> |               |
|---|---------------|
| 6/30/2015   | \$ 2,292,465  |
| 6/30/2014   | \$ 2,344,439  |
| 6/30/2013   | \$ 2,377,627  |
| <b>% of AOPEBC Contributed</b>                              |               |
| 6/30/2015   | 35.33%        |
| 6/30/2014   | 38.62%        |
| 6/30/2013   | 26.27%        |
| <b>Net Other Postemployment Benefits Obligation</b>         |               |
| 6/30/2015   | \$ 11,974,652 |
| 6/30/2014   | \$ 10,492,063 |
| 6/30/2013   | \$ 9,053,038  |

**Funded Status.** The funded status and funding progress of the State's OPEB is presented in Table 17-3.

Table 17-3 (amounts expressed in thousands)

| Actuarial Valuation Date | Actuarial Value of Assets | (a)           |  | (b)   |  | (c)                         |  | (d)                |  | (e)             |  | (f)   |  |
|--------------------------|---------------------------|---------------|--|---|--|-----------------------------|--|--------------------|--|-----------------|--|---|--|
|                          |                           |               |  | Actuarial Accrued Liability ("AAL") Projected Unit Credit |  | Unfunded AAL ("UAAL") (b-a) |  | Funded Ratio (a/b) |  | Covered Payroll |  | UAAL as a Percentage of Covered Payroll (c/e) |  |
| 6/30/2014                | \$ -                      | \$ 33,051,281 |  | \$ 33,051,281   |  | 0.0%                        |  | \$ 7,660,475       |  |                 |  | 431.5%  |  |

**Actuarial Methods and Assumptions.** Actuarial valuations of an ongoing plan involve estimates and calculations on the value of reported amounts and assumptions about the probability of

occurrence of events on a long-term perspective. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress of the State's OPEB plan, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the types of benefits provided and the cost sharing between the employer and plan members at the time of each valuation and do not include the potential effects of legal or contractual funding limitations. Information about actuarial methods and assumptions used in the actuarial valuation of the plan is presented in Table 17-4.

**Table 17-4**

\* Includes inflation rate listed

**Plans Administered for Other Governments.** The State also administers cost-sharing OPEB plans for teachers at school districts in Illinois (excluding Chicago) and for teachers at community colleges in Illinois. Financial statements for these plans may be obtained from the Department of Central Management Services (“Department”), 704 Stratton Office Building, Springfield, Illinois 62706. The State Group Insurance Act of 1971 (“Act”), as amended, establishes the benefits provided to retirees; the rates of contribution for active employees, employers, and the State; and the process, if any, to amend rates of contribution for both plans with a funding policy of pay-as-you-go. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

The Teacher Health Insurance Security Fund was established to provide health insurance for retirees of school districts in Illinois (excluding Chicago) who are annuitants or dependent beneficiaries of the Teachers' Retirement System ("TRS"). As of June 30, 2015, there were 989 school districts participating with 75,428 retirees and dependent beneficiaries receiving benefits.

The Department works in conjunction with TRS to administer this cost-sharing multiple-employer defined benefit OPEB plan. The Act requires every active contributor of TRS and for every employer to make contributions to the plan at rates not to exceed 105% of the previous year. For fiscal year 2015, contributors to TRS contributed 1.02% of salary and employers contributed .76% of wages. The Act also requires the State to contribute the amount of remaining funds estimated necessary to fund current expenditures as certified by the Director of the Department. At the time of the most recent amendments to the Act, this amount was expected to be approximately 1.02% of contributors' wages. The Director of the Department can amend the contribution rates of employers and employees annually subject to a limitation of 5% pursuant to the Act. The amount of the State's required contribution was \$100.983, \$90.430, and \$86.683 million for fiscal years 2015, 2014, and 2013, respectively.

The Community College Health Insurance Security Fund was established to provide health, vision, and dental insurance for Illinois community college retirees and dependent beneficiaries. As of June 30, 2015, there were 38 community college districts (all of the State's districts except the City Colleges of Chicago District) and 1 community college association participating with 6,476 retirees and dependent beneficiaries receiving benefits. The Department works in conjunction with the State Universities Retirement System ("SURS") to administer this cost-sharing multiple-employer defined benefit OPEB plan. The Act requires every active contributor of SURS who is a full-time employee of a community college district or an association of community college boards to make contributions to the plan at the rate of .5% of wages and every community college district or association of community college boards to contribute to the plan an amount equal to .5% of the wages paid to its full-time employees who are required to contribute to the plan. The State Pension Funds Continuing Appropriation Act (40 ILCS 15/1.4) requires the State to make an annual appropriation to the fund to cover any expected expenditures in excess of the contributions by active employees and employers in an amount certified by the SURS Board of Trustees. The amount of the State's required contribution and the amount contributed was \$4.479, \$4.399, and \$40.176 million for fiscal years 2015, 2014, and 2013, respectively.

## **18 FUND DEFICITS/CASH FLOW DEFICITS**

### **Primary Government - Governmental Activities**

#### **A. Fund Deficits**

##### **Major Governmental Funds**

The State's General Fund, from which a significant portion of day to day operating expenditures are paid, has a GAAP deficit aggregating \$6.853 billion at June 30, 2015. This deficit results from spending in excess of revenues recognized.

##### **Nonmajor Governmental Funds**

The State and Local Sales Tax Reform Fund, the County and Mass Transit District Fund, the Local Government Tax Fund, and the Personal Property Tax Replacement Fund of the Department of Revenue, the Federal High Speed Rail Trust Fund of the Department of Transportation, and the Build Illinois Bond Fund of the Department of Commerce and Economic Opportunity have deficits aggregating \$40.453 million, \$40.624 million, \$173.846 million,

\$163.280 million, \$34.416 million, and \$13.229 million, respectively, at June 30, 2015, resulting from spending and transfers to other State funds in excess of revenues recognized.

The Tobacco Settlement Recovery Fund of the Treasurer, the Employment and Training Fund of the Department of Human Services, the DCFS Childrens' Services Fund of the Department of Children and Family Services, and the SBE Federal Department of Education Fund of the State Board of Education have deficits at June 30, 2015, aggregating \$743.218 million, \$2.025 million, \$19.225 million, and \$85.621 million, respectively, resulting from the recognition of fund liabilities in excess of accrued revenues on the modified accrual basis.

#### ***Nonmajor Enterprise Funds***

The State Lottery Fund of the Lottery, the Student Loan Operation Fund of the Student Assistance Commission, and other nonmajor enterprise funds have deficits aggregating \$59.725 million, \$36.264 million, and \$390 thousand, respectively, at June 30, 2015, resulting from the recognition of a proportionate share of the net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense.

#### ***B. Cash Flow Deficits***

As of June 30, 2015, transactions totaling \$4.646 billion that had been approved for payment by the State remained unpaid at year end due to the State's cash flow difficulties. Of this total, \$167.422 million related to intra-governmental transactions and \$1.747 billion related to statutorily mandated transfers, the latter of which would represent noncompliance with State law. The majority of these unpaid transactions were payable from the General Revenue Fund.

#### **Fiduciary Funds**

##### ***Pension (and Other Employee Benefit) Trust Funds***

The Teacher Health Insurance Security Fund and the Community College Health Insurance Security Fund of the Department of Central Management Services have deficits at June 30, 2015, aggregating \$61.484 million and \$26.193 million, respectively, resulting from benefit payments exceeding contributions due to funding based on a pay-as-you-go basis.

## **19 RISK MANAGEMENT**

#### **Primary Government**

The State is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; workers compensation and natural disasters. The State retains the risk of loss (i.e., self-insured) for these risks except minimal commercial insurance. There were no significant reductions in insurance coverage from the prior fiscal year. The amount of settlements has not exceeded insurance coverage in the past three fiscal years. In addition, the State is exposed to various risks of loss related to employee health and dental insurance programs as described below.

Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claims liabilities are based upon the estimated ultimate cost of settling the claims

including specific, incremental claim adjustment expenses, salvage, and subrogation and considering the effects of inflation and recent claim settlement trends including frequency and amount of payouts and other economic and social factors. Nonincremental claims adjustment expenses have not been included as part of the liability.

The State's risk financing of auto liability has been determined using an estimate of claims outstanding. Matured claims have been recorded as liabilities in the General Fund and Road Fund in the amount of \$284 thousand and \$177 thousand, respectively. The remaining portion of the liability is included in the government-wide financial statements and is expected to be paid from future resources of the General Fund and Road Fund in the amount of \$4.632 million and \$9.929 million, respectively.

The workers' compensation liability has been determined using claims outstanding and a projection of claims to be submitted, based upon prior years' experience of the State. Claims incurred have been recorded as a liability in the Workers' Compensation Revolving Fund, an internal service fund, in the amount of \$623.767 million. Payments to the Workers' Compensation Revolving Fund are based on estimates of amounts needed to pay current year claims and are made from the applicable fund that would have paid the salaries and wages of the related employees.

The State uses the Health Insurance Reserve Fund to account for employee health and dental insurance benefit programs, which are partially self-funded. Employees may obtain health care services through participation in the State's group health insurance plan or through membership in one of six health maintenance organization plans under contract with the State. The State maintains the risk of insurance for employees who participate in the State's group health insurance plan. Expenses and liabilities for claims, which include incurred but not reported or not processed benefit claims, have been recorded as liabilities in the amount of \$611.854 million. Payments to the Health Insurance Reserve Fund are based on estimates of amounts needed to pay prior year unprocessed and current year claims and are made from the applicable fund that paid the salaries and wages of the related employee.

The following is a reconciliation of the State's claims liabilities for the year ended June 30, 2015:

Table 19-1 (amounts expressed in thousands)

| Year Ended<br>June 30  | Changes in Claims Liability Balances |                     |                                       |                     | Ending<br>Balance |  |
|--|--------------------------------------|---------------------|---------------------------------------|---------------------|-------------------|--|
|  | Current Year                         |                     | Claims and<br>Changes in<br>Estimates | Claim<br>Payments   |                   |  |
|  | Beginning<br>Balance                 |                     |                                       |                     |                   |  |
| Primary Government-Governmental Activities:  |                                      |                     |                                       |                     |                   |  |
| 2014   |                                      |                     |                                       |                     |                   |  |
| Auto Liability   | \$ 11,538                            | \$ 4,594            | \$ (2,576)                            | \$ 13,556           |                   |  |
| Workers' Compensation  | 579,166                              | 200,115             | (153,669)                             | 625,612             |                   |  |
| Health Insurance   | 702,196                              | 822,379             | (909,488)                             | 615,087             |                   |  |
| Total  | <u>\$ 1,292,900</u>                  | <u>\$ 1,027,088</u> | <u>\$ (1,065,733)</u>                 | <u>\$ 1,254,255</u> |                   |  |
| 2015   |                                      |                     |                                       |                     |                   |  |
| Auto Liability   | \$ 13,556                            | \$ 3,904            | \$ (2,438)                            | \$ 15,022           |                   |  |
| Workers' Compensation  | 625,612                              | 117,268             | (119,113)                             | 623,767             |                   |  |
| Health Insurance   | 615,087                              | 885,790             | (889,023)                             | 611,854             |                   |  |
| Total  | <u>\$ 1,254,255</u>                  | <u>\$ 1,006,962</u> | <u>\$ (1,010,574)</u>                 | <u>\$ 1,250,643</u> |                   |  |
| Component Units, (Information for the Illinois State Toll Highway Authority is as of December 31): |                                      |                     |                                       |                     |                   |  |
| 2014   |                                      |                     |                                       |                     |                   |  |
| Illinois State Toll Highway Authority  | \$ 13,603                            | \$ 16,290           | \$ (11,515)                           | \$ 18,378           |                   |  |
| Southern Illinois University   | 23,707                               | 13,720              | (7,467)                               | 29,960              |                   |  |
| University of Illinois   | 232,322                              | 22,894              | (31,472)                              | 223,744             |                   |  |
|  | <u>\$ 269,632</u>                    | <u>\$ 52,904</u>    | <u>\$ (50,454)</u>                    | <u>\$ 272,082</u>   |                   |  |
| 2015   |                                      |                     |                                       |                     |                   |  |
| Illinois State Toll Highway Authority  | \$ 18,378                            | \$ 15,746           | \$ (14,378)                           | \$ 19,746           |                   |  |
| Southern Illinois University   | 29,960                               | 10,156              | (6,252)                               | 33,864              |                   |  |
| University of Illinois   | 223,744                              | 49,707              | (29,492)                              | 243,959             |                   |  |
|  | <u>\$ 272,082</u>                    | <u>\$ 75,609</u>    | <u>\$ (50,122)</u>                    | <u>\$ 297,569</u>   |                   |  |

The State administers a public entity risk pool offering health insurance to local governments in the Local Government Health Insurance Reserve Fund, a nonmajor enterprise fund. The financial statements of the fund can be obtained from the Department of Central Management Services, 704 Stratton Office Building, Springfield, Illinois, 62706.

### Component Units

The Illinois State Toll Highway Authority, a major component unit, records an accrued self-insurance liability which covers workers' compensation liability. The Authority's accrued self-insurance liability was \$19.746 million at December 31, 2014.

Southern Illinois University, a major component unit, records an accrued self-insurance liability which covers general and professional liability and limited student health care liability in excess of costs not covered by other primary provider plans. The University's accrued self-insurance liability was \$33.864 million at June 30, 2015.

The University of Illinois, a major component unit, records an accrued self-insurance liability which covers hospital patient liability, hospital and medical professional liability, estimated general and contract liability, and workers' compensation liability related to employees paid by the University. The University's accrued self-insurance liability was \$243.959 million at June 30, 2015.

Illinois Housing Development Authority, Illinois State Toll Highway Authority, Illinois State University, Northern Illinois University, Southern Illinois University, and the University of Illinois have contracted with commercial carriers to provide excess insurance coverage. These coverages have been considered in determining the accrued self-insurance liability, where applicable. There were no settlements which exceeded insurance coverage during the last three years.

The nonmajor component unit universities carry excess general liability coverage. The deductible portion of this coverage is covered by the State University Risk Management Association, a self-insurance pool.

## **20 COMMITMENTS AND CONTINGENCIES**

### **A. Construction Commitments**

The Department of Transportation has outstanding construction commitments for highway improvement programs of \$5.383 billion as of June 30, 2015, which will be financed through State reappropriations. Also, the Capital Development Board has outstanding construction commitments for building and building additions and improvements of \$458.800 million as of June 30, 2015, which will be financed through State reappropriations. The Illinois State Toll Highway Authority, reported on a December 31st year-end, has entered into commitments for road construction of \$1.720 billion as of December 31, 2014. Southern Illinois University, the University of Illinois, and Northern Illinois University have outstanding construction commitments for various building and building improvement projects of \$37.689, \$239.473, and \$31.700 million, respectively, as of June 30, 2015.

### **B. Investment Commitments**

The Illinois State Board of Investments had outstanding commitments at June 30, 2015, to limited partnerships, real estate accounts, and real assets of approximately \$460 million, \$4 million, and \$153 million, respectively. The Teachers' Retirement System had outstanding commitments at June 30, 2015, for the future purchase of investments in the real estate, private equity, global fixed income, and real return asset classes of \$5.618 billion. The State Universities Retirement System had outstanding commitments at June 30, 2015, to private equity limited partnerships, real estate partnerships and infrastructure partnerships of approximately \$567.6 million, \$108.1 million and \$51.0 million, respectively. The Office of the Treasurer – Fiscal Office had outstanding commitments at June 30, 2015, to provide venture capital to technology businesses of approximately \$73 million.

### **C. Illinois Housing Development Authority Loans**

The Illinois Housing Development Authority has entered into commitments aggregating \$39.700 million for the purchase of various home loans as of June 30, 2015.

### **D. Operating Leases**

The State has entered into various operating leases for land, office facilities, office and computer equipment, and other assets. Although lease terms vary, certain leases are renewable subject to appropriation by the General Assembly. If renewal is reasonably assured, leases requiring appropriation by the General Assembly are considered noncancelable leases for financial

reporting purposes. Any operating leases with scheduled rent increases are considered immaterial to the future minimum lease payments and current rental expenditures.

Future minimum commitments for non-cancelable operating leases as of June 30, 2015, are as follows:

| Operating Leases             |                       |  |                                 |                                    |                              |  |
|------------------------------|-----------------------|--|---------------------------------|------------------------------------|------------------------------|--|
| Year Ending<br>June 30       | Primary<br>Government | Major Component Units                        |                                 |                                    |                              |  |
|                              |                       | Illinois Housing<br>Development<br>Authority | Illinois<br>State<br>University | Northern<br>Illinois<br>University | University<br>of<br>Illinois |  |
| 2016                         | \$ 101,470            | \$ 1,365                                     | \$ 1,966                        | \$ 1,157                           | \$ 10,175                    |  |
| 2017                         | 72,742                | 115  | 1,884                           | 1,043                              | 7,406                        |  |
| 2018                         | 54,703                | -  | 1,713                           | 345                                | 4,677                        |  |
| 2019                         | 34,477                | -  | 1,433                           | 327                                | 2,599                        |  |
| 2020                         | 12,974                | -  | 680                             | 653                                | 523                          |  |
| 2021-2025                    | 14,193                | -  | -                               | -                                  | 457                          |  |
| 2026-2030                    | 2,487                 | -  | -                               | -                                  | 1                            |  |
| 2031-2035                    | -                     | -  | -                               | -                                  | 1                            |  |
| 2036-2040                    | -                     | -  | -                               | -                                  | 1                            |  |
| Total minimum lease payments | \$ 293,046            | \$ 1,480                                     | \$ 7,676                        | \$ 3,525                           | \$ 25,840                    |  |

Rental payments for operating leases charged to operations during the year ended June 30, 2015, aggregated \$255.194 million for the governmental and business-type activities and \$597 thousand for fiduciary funds. Illinois Housing Development Authority, Illinois State University, Northern Illinois University, Southern Illinois University, and the University of Illinois (major component units) had rental payments charged to operations during the year ended June 30, 2015, of \$2.110 million, \$2.078 million, \$1.547 million, \$18.167 million, and \$13.257 million, respectively.

#### E. Tax Litigation

At June 30, 2015, the State of Illinois has \$101.640 million in payments received related to protested tax cases, which have not been adjudicated. In addition, the State defends many lawsuits challenging reasons for denial of tax refunds in relation to tax payments already received. The ultimate disposition of these protested tax payments received and claims for tax refunds is not determinable at this time.

#### F. Federal Funding

The State receives federal grants which are subject to review and audit by federal grantor agencies. Certain costs could be questioned as not being an eligible expenditure under the terms of the grants. At June 30, 2015, there were no material questioned costs that have not been resolved with the federal awarding agencies. However, questioned costs could still be identified during audits to be conducted in the future. Management of the State believes there will be no material adjustments to the federal grants and, accordingly, has not recorded a provision for possible repayment.

**G. Legal Proceedings**

A lawsuit filed by the Chicago Urban League (Chicago Urban League v. Illinois State Board of Education) alleges the State's system of funding public schools violates the Illinois Civil Rights Act of 2003 and various clauses of the Illinois Constitution. The Circuit Court has dismissed all claims in the suit except a claim in relation to the Illinois Civil Rights Act of 2003. The case is in the discovery stage.

The State, its units and employees are also party to numerous other legal proceedings, many of which normally recur, in governmental operations. In addition, the State and its units are involved in certain other legal proceedings, which, if decided adversely to the State, may require the State to make material future expenditures for expanded services or capital facilities or may impair future revenue sources. It is neither possible to determine the outcome of these proceedings nor to estimate the possible effects adverse decisions may have on future expenditures or revenue sources.

**H. Forward Fixed-Price Energy Contracts**

Illinois State University, Southern Illinois University and the University of Illinois have executed forward fixed-price purchase contracts for natural gas and electricity with commitments of \$20.830 million, \$8.800 million, and \$94 million, respectively, as of June 30, 2015.

**I. Illinois Housing Development Authority Bonds ("IHDA")**

The IHDA, a component unit of the State, has a portion of its revenue bonds that are moral obligations of the State. In the event that the IHDA determines that funds will not be sufficient for the payment of principal and interest on these bonds, the Chairman of the IHDA shall certify to the Governor as soon as practicable the amount required by the IHDA to enable it to pay such principal and interest. The Governor shall include the amount so certified in the State budget; however, the General Assembly has no obligation to appropriate funds to the IHDA. As of June 30, 2015, the outstanding balance of bonds which the State is morally obligated to repay is \$109 thousand.

**J. Metropolitan Pier and Exposition Authority ("The Authority")**

The Authority, not a part of the State of Illinois reporting entity, is authorized by the Metropolitan Pier and Exposition Authority Act to issue \$2.557 billion of bonds, excluding refunding bonds, to finance the McCormick Place expansion and certain other improvements to its facilities and Navy Pier. These bonds are special, limited obligations of the Authority and are payable from and secured by a pledge of revenues derived from Authority taxes and State sales tax deposits. For State fiscal years when these bonds are outstanding, monthly deposits of Authority taxes to the McCormick Place Expansion Project Fund, an agency fund, are required to be made in an amount equal to 1/8 of the annual debt service as specified in the Authority's Annual Certification plus any prior months' deficiencies in transfers. Beginning in fiscal year 2011 through fiscal year 2032, the monthly deposit of Authority taxes is reduced by deposits of dedicated State sales taxes. The maximum amount that can be deposited into the McCormick Place Expansion Project Fund shall not exceed \$189 million in fiscal year 2016, \$199 million in fiscal year 2017, \$210 million in fiscal year 2018, \$221 million in fiscal year 2019, \$233 million in fiscal year 2020, and graduating to \$350 million in fiscal year 2032 until fiscal year 2060. To the extent that Authority taxes and the dedicated State sales taxes are not sufficient to satisfy the requirements of the Authority's Annual Certification, additional State sales taxes are deposited into the McCormick

Place Expansion Project Fund. During fiscal year 2015, debt service requirements for these bonds were \$156.928 million. The amount paid to the Authority based on their annual certification was \$156.927 million consisting of \$125.227 million of Authority taxes and \$31.700 million in State sales taxes.

In addition, during fiscal years 2009 and 2010, deposits were not sufficient to pay for the debt service requirements resulting in a net transfer of State sales taxes of \$57.2 million into the McCormick Place Expansion Project Fund. Beginning July, 2015, the State will receive reimbursements in the amount of one-half of the prior year-end surplus revenues in the fund until the deficiency has been repaid.

**K.      *Regional Transportation Authority (“RTA”)***

The RTA, not a part of the State of Illinois reporting entity, was authorized by the Regional Transportation Authority Act to issue bonds in the principal amount of \$100 million on or after January 1, 1990 with an additional \$100 million per year authorized to be issued on or after January 1<sup>st</sup> of each year until January 1, 1994, for a total authorization of \$500 million used for Strategic Capital Improvement Projects (“SCIP”). Effective July 1, 1999, Public Act 91-0037 authorized the RTA to issue additional bonds in the principal amount of \$260 million on or after January 1, 2000 with an additional \$260 million per year authorized to be issued on or after January 1<sup>st</sup> of each year until January 1, 2004 for an additional authorization of \$1,300 million to be used for SCIP. Public Act 91-0037 also authorized the issuance of refunding SCIP bonds. The proceeds of SCIP bonds were used to acquire, repair, or replace public transportation facilities in the metropolitan region as approved by the Governor.

The bonds are general obligations of the RTA to which the full faith and credit of the RTA is pledged. However, for State fiscal years in which the SCIP bonds are outstanding, the State’s assistance shall be transferred monthly from the General Fund to the Public Transportation Fund, a nonmajor governmental fund, for payment in an amount equal to the lesser of monthly debt service on the SCIP bonds or one-twelfth of the amount of the State’s assistance as provided in the authorization. The authorization currently provides for \$155 million each fiscal year. During fiscal year 2015, the State provided \$130.176 million to the RTA, which is below the authorized amount of \$155 million. Although the amount of the State’s assistance is measured by the debt service on the SCIP bonds, the assistance is not pledged for payment of, or security for, the SCIP bonds. The State’s assistance is paid directly to the Authority and may be spent by the Authority at its discretion.

**L.      *Illinois Sports Facilities Authority (“ISFA”)***

The ISFA, not a part of the State of Illinois reporting entity, was authorized by the Illinois Sports Facilities Act to issue bonds and notes in the principal amount not to exceed (1) \$150 million in connection with facilities owned by the ISFA, (2) \$399 million in connection with facilities owned by a governmental owner other than the ISFA, and (3) to refund, advance refund or refinance any of its bonds then outstanding.

The bonds are secured by payments from the Illinois Sports Facilities Fund, a nonmajor governmental fund, from collections of (1) the State’s Hotel Operator’s Occupation Tax in an amount equal to the applicable advance amount plus \$5.0 million and (2) the City of Chicago’s share of the Local Government Distributive Fund, a nonmajor governmental fund, in the amount of \$4.375 million. This advance amount is required to be repaid by the ISFA from collections of the ISFA’s Hotel Tax to the State’s General Fund by the end of the fiscal year. In the event of a

deficiency in the Hotel Tax, amounts otherwise payable to the City of Chicago from the Local Government Distributive Fund should be used for the repayment.

Annually, the ISFA is required to certify to the State Comptroller and the State Treasurer their requirements for the next fiscal year. This certification shall be the lesser of (1) the advance amount plus \$10 million and (2) the amount to pay principal and interest and other payments relating to its obligations issued or to be issued during the fiscal year plus the amount anticipated to pay obligations under provisions of any management agreement with respect to facilities owned by the ISFA or any assistance agreement with respect to any facility for which financial assistance is provided under the Act plus an amount to pay other capital or operating expenses of the ISFA. Pursuant to the certification, the maximum advance amount for fiscal year 2015 was \$45.130 million plus \$10 million for a total of \$55.130 million.

The ISFA's annual certification for fiscal year 2015 was in the amount of \$46 million, which is below the maximum amount authorized. Payments related to the annual certification, which are subject to appropriation by the General Assembly, were paid to the ISFA. The ISFA repaid the advance amount by the end of the fiscal year.

In future years, the advance amount increases by 105.615% of the preceding advance amount through fiscal year 2032. Including the additional \$10 million, the maximum which could be certified each year is \$57.665 million in fiscal year 2016, \$60.342 million in fiscal year 2017, \$63.169 million in fiscal year 2018, \$66.155 million in fiscal year 2019 and graduating to \$124.252 million in fiscal year 2032. Of these amounts, only \$5 million per year is the State's share.

***M. Southwestern Illinois Development Authority ("SWIDA") Revenue Bonds***

The SWIDA, a nonmajor component unit of the State, has issued revenue bonds. The proceeds of these bonds were loaned to several companies for the acquisition of land and construction of various types of facilities. These companies are primarily liable for repayment of the bonds, which are secured by SWIDA loan agreements with the companies. These bonds bear an interest rate of 6.050% and mature annually through 2025. The State has accepted a moral obligation to repay the bonds in the event the SWIDA and the companies are unable to meet the bonds' repayment commitments. As of June 30, 2015, the outstanding balance of bonds, which the State is morally obligated to repay, is \$10.025 million.

***N. Upper Illinois River Valley Development Authority ("UIRVDA") Revenue Bonds***

The UIRVDA, a nonmajor component unit of the State, has issued revenue bonds. The proceeds of these bonds were loaned to various companies to provide permanent financing for the acquisition and construction of various types of facilities. These companies are primarily liable for repayment of the bonds, which are secured by an assignment and a pledge of revenues derived from a separate loan agreement between the UIRVDA and these companies. These bonds mature annually through 2030 and bear interest at rates ranging from 8.550% to 8.850%. The State has accepted a moral obligation to repay the bonds in the event the UIRVDA and the companies are unable to meet the bonds' repayment commitments. At June 30, 2015, the outstanding balance, which the State is morally obligated to repay, is \$14 million.

***O. Illinois Finance Authority ("IFA") Revenue Bonds***

The IFA, a nonmajor component unit of the State, has a portion of its revenue bonds that are moral obligations of the State. A portion of these bonds were issued on behalf of the Illinois

Medical District Commission (“Commission”), a nonmajor component unit of the State, of which the proceeds were used to finance the costs of the acquisition, construction, renovation, reconstruction, installation, and equipping of certain facilities in the City of Chicago. These bonds bear interest rates ranging from 4.125% to 5.330% and mature on various dates through 2031. The State has accepted a moral obligation to repay the bonds in the event the Commission is unable to meet the bonds’ repayment commitments. As of June 30, 2015, the outstanding balance of these bonds, which the State is morally obligated to repay, is \$36.280 million.

## **21 SEGMENT INFORMATION**

### **Major Component Units**

Segments are identifiable activities reported as or within a component unit for which bonds or other debt is outstanding and a revenue stream has been pledged in support of that debt. In addition, to qualify as a segment, an activity must be subject to an external requirement to separately account for the revenues, expenses, gains and losses, assets, and liabilities of the activity. All of the activities reported in the condensed financial information meet these requirements. The following paragraphs describe the various component units’ segments.

#### ***Southern Illinois University (“SIU”)***

SIU has issued revenue bonds with the net revenues from two segments pledged to pay the bond interest and principal. The Housing and Auxiliary Facilities System segment is comprised of university-owned housing units, student centers, recreation and athletic facilities, and similar auxiliary enterprise units. The Medical Facilities System segment is comprised of clinical facilities used to provide patient care at the School of Medicine in Springfield.

#### ***University of Illinois (“U of I”)***

U of I has issued revenue bonds with the net revenues from two segments pledged to pay the bond interest and principal. The Auxiliary Facilities System segment is comprised of university-owned housing units, student unions, recreation and athletic facilities and similar auxiliary service units, including parking. The Health Services Facilities System segment is comprised of the U of I Hospital and associated clinical facilities providing patient care.

The following are the condensed financial statements at June 30, 2015, for the segments described above:

Table 21-1 (amounts expressed in thousands)

| Major Component Units   | Southern Illinois University            |                           | University of Illinois      |                                   |
|---|---|---------------------------|-----------------------------|-----------------------------------|
|   | Housing and Auxiliary Facilities System | Medical Facilities System | Auxiliary Facilities System | Health Services Facilities System |
|   |   |                           |                             |                                   |
| <b>Condensed Statement of Net Position:</b>                                   |   |                           |                             |                                   |
| <b>Assets and deferred outflows of resources</b>                              |   |                           |                             |                                   |
| Current assets  | \$ 77,172                               | \$ 7,032                  | \$ 202,656                  | \$ 336,104                        |
| Noncurrent assets:  |   |                           |                             |                                   |
| Capital assets, net of accumulated depreciation                               | 281,901                                 | 31,113                    | 1,075,985                   | 185,919                           |
| Other noncurrent assets   | 9,155                                   | -                         | 162,883                     | 50,876                            |
| Deferred outflows of resources  | 2,287                                   | 378                       | 37,257                      | 6,191                             |
| <b>Total assets and deferred outflows of resources</b>                        | <b>370,515</b>                          | <b>38,523</b>             | <b>1,478,781</b>            | <b>579,090</b>                    |
| <b>Liabilities</b>  |   |                           |                             |                                   |
| Current liabilities   | 27,542                                  | 2,413                     | 122,980                     | 124,308                           |
| Noncurrent liabilities  | 245,641                                 | 13,675                    | 1,172,605                   | 144,257                           |
| <b>Total liabilities</b>  | <b>273,183</b>                          | <b>16,088</b>             | <b>1,295,585</b>            | <b>268,565</b>                    |
| <b>Net Position</b>   |   |                           |                             |                                   |
| Net investment in capital assets  | 23,310                                  | 18,051                    | 21,203                      | 100,893                           |
| Restricted-other expendable purposes  | 48,562                                  | 1,409                     | 24,664                      | 12,641                            |
| Unrestricted  | 25,460                                  | 2,975                     | 137,329                     | 196,991                           |
| <b>Total net position</b>   | <b>\$ 97,332</b>                        | <b>\$ 22,435</b>          | <b>\$ 183,196</b>           | <b>\$ 310,525</b>                 |
| <b>Condensed Statement of Revenues, Expenses and Changes in Net Position:</b> |   |                           |                             |                                   |
| Operating revenues  | \$ 117,068                              | \$ 42,167                 | \$ 345,090                  | \$ 638,563                        |
| Operating expenses  | (103,098)                               | (66,717)                  | (299,239)                   | (810,021)                         |
| Depreciation expense  | (15,457)                                | (1,730)                   | (33,516)                    | (18,613)                          |
| Operating income (loss)   | (1,487)                                 | (26,280)                  | 12,335                      | (190,071)                         |
| Nonoperating revenues (expenses)  | 15,019                                  | 25,963                    | 2,390                       | 198,267                           |
| Other revenues  | 1,606                                   | 560                       | -                           | -                                 |
| <b>Increase (decrease) in net position</b>                                    | <b>15,138</b>                           | <b>243</b>                | <b>14,725</b>               | <b>8,196</b>                      |
| Net position, July 1, 2014  | 82,194                                  | 22,192                    | 168,471                     | 302,329                           |
| <b>Net position, June 30, 2015</b>  | <b>\$ 97,332</b>                        | <b>\$ 22,435</b>          | <b>\$ 183,196</b>           | <b>\$ 310,525</b>                 |

## 22 SUBSEQUENT EVENTS

### A. Debt Issuances

Subsequent to June 30, 2015, the State of Illinois and its major component units have issued the following debt instruments:

Table 22-1 (amounts expressed in millions)

| Series  | Date of Issue | Amount of Issue | Interest Rates | Annual Maturity To |
|---|---------------|-----------------|----------------|--------------------|
| <b>Primary Government</b>                               |               |                 |                |                    |
| <b>Governmental Activities:</b>                         |               |                 |                |                    |
| General obligation bonds:                               |               |                 |                |                    |
| January, Series 2016                                    | 1/26/2016     | \$ 480.0        | 3.75%-5.00%    | 2041               |
| <b>Major Component Units:</b>                           |               |                 |                |                    |
| Revenue bonds:  |               |                 |                |                    |
| Illinois Housing Development Authority                  |               |                 |                |                    |
| Housing Revenue Bonds                                   |               |                 |                |                    |
| Series 2016 A   | 1/27/2016     | \$ 88.7         | 1.108%-4.18%   | 2034               |
| Illinois State Toll Highway Authority                   |               |                 |                |                    |
| Series 2015 A (Toll Highway Senior)                     | 7/30/2015     | \$ 400.0        | 5.00%          | 2040               |
| Series 2015 B (Toll Highway Senior)                     | 12/17/2015    | \$ 400.0        | 5.00%          | 2040               |
| Series 2016 A (Toll Highway Senior Refunding)           | 1/14/2016     | \$ 333.1        | 4.00%-5.00%    | 2032               |
| Southern Illinois University                            |               |                 |                |                    |
| Series 2015 B (Housing and Auxiliary Facilities System) | 8/13/2015     | \$ 20.7         | 3.00%-5.00%    | 2031               |
| University of Illinois                                  |               |                 |                |                    |
| Series 2016 A (Auxiliary Facilities System Refunding)   | 2/24/2016     | \$ 129.0        | 4.00%-5.00%    | 2036               |

**B. Department of the Lottery Termination Agreement**

The Department of the Lottery entered into a 10-year private management agreement with Northstar effective January 18, 2011, for the purpose of providing all equipment, services, and functions necessary to operate the Lottery for the State, except for those specifically retained by the State as defined within the private management agreement. On September 18, 2015, the State (acting through the Department of the Lottery) executed a Letter Agreement of Termination (“Letter Agreement”), which resolved certain outstanding disputes between Northstar Lottery Group, LLC and the Department of the Lottery. The Letter Agreement contains provisions regarding Northstar paying the Department of the Lottery for not meeting net income goals pursuant to the private management agreement, a retroactive supply agreement reduction, and Northstar’s reimbursement of legal fees related to prior disputes. Per the terms of the Letter Agreement, should the replacement manager choose not to retain GTECH as its systems provider, the State will be liable for compensating GTECH for the residual value of the remainder of the original supply agreement. Assuming the supply agreement is terminated by the replacement manager on July 1, 2017, the amount payable would be \$55 million.

**C. Budget**

The State of Illinois has not adopted an operating budget for fiscal year 2016. The General Assembly passed, and the Governor signed, the portion of the budget allowing for payments to be issued to school districts and related educational organizations, as well as payments from federal trust and special purpose trust funds. Payments to State employees from general and other State funds for work performed are being made pursuant to a July 2015 court order. Other payments, including payments to Medical Assistance recipients, local governments and prizewinners, are also being made pursuant to various court orders. However, the State is presently unable to make payments from general and other State funds to vendors and other State agencies for operations.

**23 CONTRACTUAL VIOLATION**

The Illinois Designated Account Purchase Program (“IDAPP”) was not in compliance with a debt covenant relating to a revolving credit agreement. As a result of the violation, the bank involved with the agreement has certain remedies available, including the right to call the loan and take possession of the portion of the student loan portfolio provided as collateral for the loan. In addition, IDAPP is in breach of the coverage condition ratio defined in the indenture. Since the coverage condition cannot be satisfied within two business days, this would qualify as an Event of Termination under which Citibank would be eligible for remedies under the indenture. Citibank has reserved its rights to remedies in the indenture. Discussions are ongoing with the lender to determine remedies to the violations, but no resolution has been reached.

## **Required Supplementary Information**

**State of Illinois**

**Budgetary Comparison Schedule**

**Major Governmental Funds**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|  | General Funds       |                     |                       |                       | Road Fund             |                   |                   |                       |
|--|---------------------|---------------------|-----------------------|-----------------------|-----------------------|-------------------|-------------------|-----------------------|
|  | Original Budget     | Final Budget        | Actual                | Variance Over (Under) | Original Budget       | Final Budget      | Actual            | Variance Over (Under) |
| <b>REVENUES:</b>   |                     |                     |                       |                       |                       |                   |                   |                       |
| Income taxes   | \$ 20,627,000       | \$ 20,627,000       | \$ 18,119,347         | \$ (2,507,653)        | \$ -                  | \$ -              | \$ -              | \$ -                  |
| Sales taxes  | 7,847,000           | 7,847,000           | 8,030,245             | 183,245               | -                     | -                 | -                 | -                     |
| Public utility taxes   | 1,031,000           | 1,031,000           | 1,005,621             | (25,379)              | -                     | -                 | -                 | -                     |
| Federal government   | 4,461,000           | 4,461,000           | 3,295,932             | (1,165,068)           | 1,649,300             | 1,649,300         | 1,721,177         | 71,877                |
| Other  | 1,989,000           | 1,989,000           | 2,420,870             | 431,870               | 954,300               | 954,300           | 1,084,881         | 130,581               |
| Less:  |                     |                     |                       |                       |                       |                   |                   |                       |
| Refunds  | -                   | 1,071               | 285                   | (786)                 | -                     | 2,756             | 2,713             | (43)                  |
| <b>Total revenues</b>  | <b>35,955,000</b>   | <b>35,953,929</b>   | <b>32,871,730</b>     | <b>(3,082,199)</b>    | <b>2,603,600</b>      | <b>2,600,844</b>  | <b>2,803,345</b>  | <b>202,501</b>        |
| <b>EXPENDITURES:</b>   |                     |                     |                       |                       |                       |                   |                   |                       |
| Current:   |                     |                     |                       |                       |                       |                   |                   |                       |
| Health and social services   | 12,237,858          | 12,427,432          | 11,613,863            | (813,569)             | -                     | -                 | -                 | -                     |
| Education  | 13,520,351          | 13,428,970          | 13,373,669            | (55,301)              | -                     | -                 | -                 | -                     |
| General government   | 3,387,355           | 3,479,178           | 3,391,707             | (87,471)              | 124,832               | 124,832           | 124,079           | (753)                 |
| Employment and economic development  | 105,608             | 103,504             | 72,535                | (30,969)              | 1,900                 | 1,900             | 1,900             | -                     |
| Transportation   | 5,690               | 5,562               | 5,223                 | (339)                 | 5,552,594             | 2,682,704         | 2,344,396         | (338,308)             |
| Public protection and justice  | 2,123,580           | 2,238,598           | 2,205,503             | (33,095)              | -                     | -                 | -                 | -                     |
| Environment and business regulation  | 91,144              | 95,430              | 84,723                | (10,707)              | -                     | -                 | -                 | -                     |
| Capital outlays  | 19,385              | 19,090              | 16,109                | (2,981)               | 110,519               | 76,770            | 47,076            | (29,694)              |
| <b>Total expenditures</b>  | <b>31,490,971</b>   | <b>31,797,764</b>   | <b>30,763,332</b>     | <b>(1,034,432)</b>    | <b>5,789,845</b>      | <b>2,886,206</b>  | <b>2,517,451</b>  | <b>(368,755)</b>      |
| <b>Excess (deficiency) of revenues over (under) expenditures</b>   | <b>4,464,029</b>    | <b>4,156,165</b>    | <b>2,108,398</b>      | <b>(2,047,767)</b>    | <b>(3,186,245)</b>    | <b>(285,362)</b>  | <b>285,894</b>    | <b>571,256</b>        |
| <b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>  |                     |                     |                       |                       |                       |                   |                   |                       |
| Transfers-in   | 10,480,618          | 10,480,618          | 10,480,618            | -                     | 288,540               | 288,540           | 288,540           | -                     |
| Transfers-out  | (11,558,120)        | (11,558,120)        | (11,558,120)          | -                     | (617,934)             | (617,934)         | (617,934)         | -                     |
| <b>Total other sources (uses) of financial resources</b>   | <b>(1,077,502)</b>  | <b>(1,077,502)</b>  | <b>(1,077,502)</b>    | <b>-</b>              | <b>(329,394)</b>      | <b>(329,394)</b>  | <b>(329,394)</b>  | <b>-</b>              |
| <b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b> | <b>3,386,527</b>    | <b>3,078,663</b>    | <b>1,030,896</b>      | <b>(2,047,767)</b>    | <b>(3,515,639)</b>    | <b>(614,756)</b>  | <b>(43,500)</b>   | <b>571,256</b>        |
| Budgetary fund balances (deficits), July 1, 2014   | (3,930,626)         | (3,930,626)         | (3,930,626)           | -                     | 831,874               | 831,874           | 831,874           | -                     |
| <b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2015</b>   | <b>\$ (544,099)</b> | <b>\$ (851,963)</b> | <b>\$ (2,899,730)</b> | <b>\$ (2,047,767)</b> | <b>\$ (2,683,765)</b> | <b>\$ 217,118</b> | <b>\$ 788,374</b> | <b>\$ 571,256</b>     |

**Notes to Budgetary Comparison Schedule**  
**– Major Governmental Funds**  
For the Year Ended June 30, 2015

**A. Budgetary Basis of Accounting**

The State Constitution requires the Governor to prepare and submit to the General Assembly an Executive Budget for the ensuing fiscal year. The budget covers most funds held by the State, but excludes all locally held funds and various treasury held funds which are not subject to appropriation pursuant to State law. The General Assembly enacts the budget through passage of specific line-item appropriations (i.e., personal services, contractual services, equipment, etc.), the sum of which must not exceed estimated revenues pursuant to the State Constitution. The Governor has the power to approve, reduce, or veto each appropriation passed by the General Assembly. Transfers-in and transfers-out contained in the Executive Budget are not a part of the General Assembly's appropriation process. The actual amounts are determined either by State law or by discretionary action available to the Governor. The Statewide Accounting Management System controls expenditures by line-item as established in approved appropriation bills and ensures that appropriated expenditure amounts are not exceeded.

The level of legal control is at the line-item appropriation level as reported in a publication titled *Detailed Report of Revenues and Expenditures – Budget to Actual – Budgetary Basis*. A separate document is necessary due to the State's large amount of appropriated line-items. Generally, administrative transfers between transferable appropriation line-items within the same treasury held fund cannot exceed 2% of the aggregate amount appropriated to those line-items for an agency from that fund. Examples of appropriation line-items with a 2% transfer limit are Contractual Services, Travel, Commodities, Printing, and Equipment. As an additional restriction, Personal Services appropriation line-items generally cannot be reduced. Legislative action is required for more substantial transfers. During fiscal year 2015, transfers between appropriation line-items within the same treasury held funds were allowed up to a 4% transfer limit for certain agencies under Public Act 99-0002. Unexpended appropriations at June 30 are available for subsequent expenditure to the extent that encumbrances have been incurred at June 30, provided the expenditure is presented for payment during the succeeding two month "lapse period." An exception to the lapse period requirements are expenditures described in Section 25 of the State Finance Act (30 ILCS 105/25). These Section 25 expenditures, mostly related to the reimbursement of hospitals, physicians, and pharmacists for Medicaid patients, are allowed to be paid in the following fiscal year. Certain appropriations referred to as "reappropriations" represent the continuation of a prior year's program that requires additional time for completion.

The original budgeted revenues represent estimates while original budgeted expenditures represent original and continuing appropriations enacted into law by appropriation bills. Generally accepted accounting principles (GAAP) require the final legal budget be reflected in the final budget column, therefore, updated revenue estimates have been reported. Final expenditure budgets represent original and continuing appropriations modified by supplemental and amendatory appropriations. The State's basis of budgeting is essentially on the cash basis, modified for expenditures during the lapse period (beginning and end of year) as described in the preceding paragraph.

The State Budget Law (15 ILCS 20) requires the budget for certain funds, called budgeted funds which include the General Revenue, Common School, and Educational Assistance subaccounts of the General Fund and the Road Fund, to be prepared:

“. . . on the basis of revenue and expenditure measurement concepts that are in concert with generally accepted accounting principles for governments . . .

. . . The revenue estimates used in the State budget for the budgeted funds shall include the estimated beginning fund balance, plus revenues estimated to be received during the budgeted year, plus the estimated receipts due the State as of June 30 of the budgeted year that are expected to be collected during the lapse period following the budgeted year, minus the receipts collected during the first 2 months of the budgeted year that became due to the State in the year before the budgeted year. Revenues shall also include estimated federal reimbursements associated with the recognition of Section 25 of the State Finance Act liabilities. For any budgeted fund for which current year revenues are anticipated to exceed expenditures, the surplus shall be considered to be a resource available for expenditure in the budgeted fiscal year.

Expenditure estimates for the budgeted funds included in the State budget shall include the costs to be incurred by the State for the budgeted year, to be paid in the next fiscal year, excluding costs paid in the budgeted year which were carried over from the prior year, where the payment is authorized by Section 25 of the State Finance Act. For any budgeted fund for which expenditures are expected to exceed revenues in the current fiscal year, the deficit shall be considered as a use of funds in the budgeted fiscal year.

Revenues and expenditures shall also include transfers between funds that are based on revenues received or costs incurred during the budget year.”

The State has not presented revenue and expenditure estimates in accordance with these provisions. Also, because of cash management decisions and prioritization required due to the lack of available cash in the State Treasury for the General Revenue Account, a subaccount of the General Fund, statutorily mandated transfers from the General Revenue Account to other funds were not made by the Office of the Comptroller within statutorily prescribed timelines. The timing of the payment of the transfers does not impact the amounts reported in the budgetary schedules.

The State’s General Fund has a perspective difference for financial reporting as the General Fund reported for financial reporting purposes includes amounts which are reported as a part of the State’s Special State Funds as classified for budgetary purposes.

The Budgetary Comparison Schedule – Major Governmental Funds presents the original legally adopted budget, as well as comparisons of the final legally adopted budget with actual data on a budgetary basis for the State’s major governmental funds: the General Fund and the Road Fund.

The supplementary portion of this report includes a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for all funds of the State with annual budgets as classified for budgetary purposes. Those schedules only include the final appropriated budget.

## B. Budgetary-GAAP Reporting Reconciliation

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of differences between budgetary and GAAP presentations for the year ended June 30, 2015, is presented below for the major governmental funds (amounts expressed in thousands):

| <b><u>MAJOR GOVERNMENTAL FUNDS</u></b>  |                            |                            |
|---|----------------------------|----------------------------|
|   | <b>General<br/>Fund</b>    | <b>Road<br/>Fund</b>       |
| Excess (deficiency) of revenues over (under)<br>expenditures and other sources (uses) of<br>financial resources (budgetary basis) | \$ 1,030,896               | \$ (43,500)                |
| Reclassifications:  |                            |                            |
| Budgetary Special State Funds<br>reported as part of the General Fund<br>and Road Fund for GAAP reporting                         | (829,493)                  | -                          |
| Adjustments:  |                            |                            |
| To adjust revenues, related receivables<br>and unavailable revenue  | (1,239,380)                | (195,725)                  |
| To adjust expenditures and related<br>liabilities   | <u>865,548</u>             | <u>(48,481)</u>            |
| Excess (deficiency) of revenues over (under)<br>expenditures and other sources (uses) of<br>financial resources (GAAP basis)      | <u><u>\$ (172,429)</u></u> | <u><u>\$ (287,706)</u></u> |

## Required Supplementary Information - Defined Benefit Pension Plans

(Unaudited)

Required supplementary information is provided for the following plans: the General Assembly Retirement System (“GARS”), Judges’ Retirement System (“JRS”), State Employees’ Retirement System (“SERS”), Teachers’ Retirement System (“TRS”), and State Universities Retirement System (“SURS”).

### *Single-Employer Plans*

The following schedule of changes in the net pension liability and related ratios is presented as of the measurement date of June 30, 2014:

| <b>Schedule of Changes in Net Pension Liability and Related Ratios</b><br><b>Single-Employer Plans</b><br>(amounts expressed in thousands)   |                   |                     |                      |         |
|--|-------------------|---------------------|----------------------|---------|
|  | GARS              | JRS                 | SERS                 |         |
| <b>Total pension liability</b>   |                   |                     |                      |         |
| Service cost   | \$ 5,383          | \$ 57,139           | \$ 776,488           |         |
| Interest on total pension liability  | 20,111            | 145,994             | 2,754,122            |         |
| Differences between expected and actual experience   | 12,389            | 4,490               | 150,997              |         |
| Assumption changes   | -                 | -                   | 3,142,466            |         |
| Benefit payments   | (20,800)          | (118,591)           | (1,917,062)          |         |
| Refunds  | (245)             | (688)               | (23,083)             |         |
| Administrative expenses  | (335)             | (832)               | (16,615)             |         |
| <b>Net change in total pension liability</b>   | <b>16,503</b>     | <b>87,512</b>       | <b>4,867,313</b>     |         |
| <b>Total pension liability - June 30, 2013</b>   | <b>381,000</b>    | <b>2,143,752</b>    | <b>36,817,773</b>    |         |
| <b>Total pension liability - June 30, 2014 (a)</b>   | <b>\$ 397,503</b> | <b>\$ 2,231,264</b> | <b>\$ 41,685,086</b> |         |
| <b>Plan fiduciary net position</b>   |                   |                     |                      |         |
| Contributions - employer   | \$ 13,957         | \$ 126,816          | \$ 1,699,448         |         |
| Contributions - participant  | 1,503             | 15,919              | 269,232              |         |
| Net investment income  | 8,363             | 110,059             | 2,169,346            |         |
| Benefit payments   | (20,800)          | (118,591)           | (1,917,062)          |         |
| Refunds  | (245)             | (688)               | (23,083)             |         |
| Administrative expense   | (335)             | (832)               | (16,615)             |         |
| <b>Net change in plan fiduciary net position</b>   | <b>2,443</b>      | <b>132,683</b>      | <b>2,181,266</b>     |         |
| <b>Plan fiduciary net position - June 30, 2013</b>   | <b>54,347</b>     | <b>643,330</b>      | <b>12,400,300</b>    |         |
| <b>Plan fiduciary net position - June 30, 2014 (b)</b>   | <b>56,790</b>     | <b>776,013</b>      | <b>14,581,566</b>    |         |
| <b>State's net pension liability - ending (a) - (b)</b>  | <b>\$ 340,713</b> | <b>\$ 1,455,251</b> | <b>\$ 27,103,520</b> |         |
| <b>Plan fiduciary net position as a percentage of the total pension liability</b>  |                   | 14.29%              | 34.78%               | 34.98%  |
| Covered-employee payroll   | \$ 12,778         | \$ 172,846          | \$ 4,416,153         |         |
| <b>State's net pension liability as a percentage of covered payroll</b>  |                   | 2666.40%            | 841.94%              | 613.74% |
| <b>Notes to Schedule.</b> The calculations of the total pension liability as of June 30, 2013 and June 30, 2014 were based on the following assumptions:   |                   |                     |                      |         |
| <b>Total pension liability - June 30, 2013</b>   |                   |                     |                      |         |
| Discount rate  | 5.39%             | 6.91%               | 7.60%                |         |
| Investment rate of return  | 7.00%             | 7.00%               | 7.75%                |         |
| Long-term municipal bond rate  | 4.63%             | 4.63%               | 4.63%                |         |
| <b>Total pension liability - June 30, 2014</b>   |                   |                     |                      |         |
| Discount rate  | 5.11%             | 6.89%               | 7.09%                |         |
| Investment rate of return  | 7.00%             | 7.00%               | 7.25%                |         |
| Long-term municipal bond rate  | 4.29%             | 4.29%               | 4.29%                |         |
| The difference between the actual and expected experience for each plan includes the impact of the change in the respective single discount rates based on the plans' respective long-term expected rate of return on pension plan investments used in the June 30, 2014 funding valuations for each plan and the long-term municipal bond rate. The changes were measured using the actuarial assumptions used in the June 30, 2014 funding valuations for each plan, respectively. |                   |                     |                      |         |

The following is a schedule of the State's contribution information to the single-employer plans, respectively, as of June 30, 2015 and 2014, respectively:

| <b>Schedule of Contributions</b><br>(amounts expressed in thousands) |                          |   |                            |   |                        |  |  |  |
|--|--------------------------|---|----------------------------|---|------------------------|--|--|--|
| <b>Plan</b>  | <b>Fiscal Year Ended</b> | <b>Actuarial Determined Contribution^</b> | <b>Actual Contribution</b> | <b>Contribution Deficiency (Excess)</b> | <b>Covered Payroll</b> | <b>Actual Contribution as a % of Covered Payroll</b> |  |  |
| GARS   | 2014                     | \$ 17,110                                 | \$ 13,957                  | \$ 3,153                                | \$ 12,778              | 109.23%  |  |  |
|  | 2015                     | 16,901                                    | 15,871                     | 1,030                                   | 11,609                 | 136.71%  |  |  |
| JRS  | 2014                     | \$ 125,062                                | \$ 126,816                 | \$ (1,754)                              | \$ 172,846             | 73.37%   |  |  |
|  | 2015                     | 124,216                                   | 134,040                    | (9,824)                                 | 177,164                | 75.66%   |  |  |
| SERS   | 2014                     | \$ 1,956,841                              | \$ 1,699,447               | \$ 257,394                              | \$ 4,416,153           | 38.48%   |  |  |
|  | 2015                     | 2,045,354                                 | 1,804,319                  | 241,035                                 | 4,453,684              | 40.51%   |  |  |

<sup>^</sup> The Statutory Funding Policy for GARS, JRS and SERS does not conform to Actuarial Standards of Practice, therefore, the actuarially determined contribution is equal to the normal cost plus an amount to amortize the unfunded actuarial accrued liability as a level percentage of payroll. The amortization period for fiscal years prior to 2007 is 40 years and the amortization period for fiscal years 2007 and beyond is 30 years.

| <b>Notes To Schedule of Contributions</b> |  |  |   |
|---|--|--|---|
|   | <b>GARS</b>  | <b>JRS</b>   | <b>SERS</b>   |
| <b>Actuarial Valuation Date</b>           | Actuarially determined contribution rates are calculated as of June 30, 12 months prior to the beginning of the fiscal year in which contributions will be made. |  |   |
| Actuarial cost method                     | Proj. Unit Credit  | Proj. Unit Credit  | Proj. Unit Credit   |
| Amortization method                       | Level % of pay   | Level % of pay   | Level % of pay  |
| Remaining amortization period             | 30 years, open   | 30 years, open   | 30 years, open  |
| Asset valuation method                    | 5-Year Smoothed Market   | 5-Year Smoothed Market   | 5-Year Smoothed Market  |
| Actuarial assumptions:                    |  |  |   |
| Inflation rate                            | 3.00%  | 3.00%  | 3.00%   |
| Salary Increases*                         | 3.50%  | 3.75%  | Salary increase rates based on age-related productivity and merit rates.  |
| Postretirement benefit increases          |  |  |   |
| Tier 1                                    | 3%, compounded   | 3%, compounded   | 3%, compounded  |
| Tier 2                                    | Lesser of 3% or annual increase in CPI^, compounded  | Lesser of 3% or annual increase in CPI^, compounded                | Lesser of 3% or 1/2 of CPI^, on original benefit                          |
| Investment rate of return **              | 7.00%  | 7.00%  | 7.25%   |
| Retirement age                            | Age-based table of rates specific to type of eligibility condition   | Age-based table of rates specific to type of eligibility condition | Experience-based table of rates specific to type of eligibility condition |
| Mortality:                                |  |  |   |
| GARS                                      | RP-2000 Combined Healthy Mortality Table, sex distinct, projected to 2015 (Static table) setback 3 years for males and 2 years for females.                      |  |   |
| JRS                                       | RP-2000 Combined Healthy Mortality Table, sex distinct, projected to 2015 (Static table) setback 3 years for males and 2 years for females.                      |  |   |
| SERS                                      | 105% of the RP 2014 Healthy Annuitant mortality table, sex distinct.   |  |   |

^ Consumer Price Index

\* Includes inflation rate listed

\*\* Rate as of the June 30, 2015 valuation

***Cost-Sharing Multiple-Employer Plans***

The following schedule of the State's proportionate share of the net pension liability is presented as of the measurement date of June 30, 2014:

| <b>Schedule of the State's Proportionate Share of the<br/>Net Pension Liability<br/>Cost-Sharing Multiple-Employer Plans<br/>(amounts expressed in thousands)</b> |                         |               |
|---|-------------------------|---------------|
|   | <b>TRS<sup>^^</sup></b> | <b>SURS</b>   |
| State's proportion of the net pension liability   | 96.47%                  | 100.00%       |
| State's proportionate share of the net pension liability  | \$ 58,710,342           | \$ 21,790,983 |
| Plan fiduciary net position as a percentage<br>of the total pension liability   | 42.95%                  | 44.39%        |

<sup>^^</sup> The amounts represent the State's nonemployer and employer proportionate share of the net pension liability.

The following is a schedule of the State's proportionate share of contributions, respectively, as of June 30, 2015 and 2014, respectively:

| <b>Schedule of State Contributions</b><br>(amounts expressed in thousands) |                    |  |                           |   |  |
|--|--------------------|--|---------------------------|---|--|
| <b>Plan</b>  | <b>Fiscal Year</b> | <b>Statutorily Required Contribution</b> | <b>State Contribution</b> | <b>Contribution Excess/(Deficiency)</b> |  |
| TRS*   | 2014               | \$ 3,438,383                             | \$ 3,438,383              |   |  |
|  | 2015               | 3,377,665                                | 3,377,665                 | -                                       |  |
| SURS**   | 2014               | \$ 1,458,965                             | \$ 1,458,965              |   |  |
|  | 2015               | 1,488,591                                | 1,488,591                 | -                                       |  |

\* TRS statutory and actual contributions amounts include actual contributions required to fund the Guaranteed Minimum Benefit Reserve equal to \$905 and \$787 for fiscal years 2014 and 2015, respectively.

\*\* SURS statutorily required contribution is calculated using the total statutorily required State contribution requirement to SURS less the actual contributions made to the Self Managed Defined Contribution plan.

**Defined Benefit Other Postemployment Benefit Plans – Schedule of Funding Progress**  
 (Unaudited)

The following schedule of funding progress (dollar amounts in thousands) for the State of Illinois' other postemployment retirement benefits (health, dental, vision, and life insurance) is provided for the three most recent actuarial valuations:

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets | (a)                                    | (b)           | (c)                         | (d)                      | (e)                | (f)  |
|--------------------------------|---------------------------------|--|---------------|-----------------------------|--------------------------|--------------------|--|
|                                |                                 | Actuarial Accrued<br>Liability ("AAL") |               | Unfunded<br>AAL<br>("UAAL") | Funded<br>Ratio<br>(a/b) | Covered<br>Payroll | UAAL as a<br>Percentage of<br>Covered Payroll<br>(c/e) |
|                                |                                 | Projected Unit<br>Credit               | (b-a)         | (b-a)                       |                          |                    |  |
| 6/30/2014                      | \$ -                            | \$ 33,051,281                          | \$ 33,051,281 | 0.0%                        | \$ 7,660,475             |                    | 431.5%   |
| 6/30/2013                      | \$ -                            | \$ 34,488,085                          | \$ 34,488,085 | 0.0%                        | \$ 7,631,281             |                    | 451.9%   |
| 6/30/2011                      | \$ -                            | \$ 33,295,354                          | \$ 33,295,354 | 0.0%                        | \$ 7,375,559             |                    | 451.4%   |

The State performs actuarial valuations for postemployment retirement benefits biennially; however, beginning in fiscal year 2015, the actuarial valuation is calculated as of June 30, of the prior fiscal year end.

## **GENERAL FUND**

The General Fund is used to account for resources obtained and used for those services traditionally provided by State government which are not accounted for in another fund.

### **SIGNIFICANT GENERAL FUND ACCOUNT DESCRIPTIONS**

General Revenue Account--to account for resources obtained and used which are not accounted for in another fund or account.

Common School Account--to provide funding for elementary and secondary education agencies including General State Aid, School District Consolidation Incentives and operational funding of Educational Services Regions.

Education Assistance Account--to provide funding for elementary and secondary education programs and for higher education programs.

County Hospital Services Account--to provide for medical services at Cook County hospitals.

Long-Term Care Provider Account--to provide for medical services at long-term health care centers.

**State of Illinois**

**Combining Schedule of Accounts**

**General Fund**

June 30, 2015 (Expressed in Thousands)

|  | General Revenue<br>Account | Medicaid<br>Provider<br>Assessment<br>Program | Common<br>School<br>Account | Education<br>Assistance<br>Account | Eliminations      | Total               |
|--|----------------------------|---|-----------------------------|------------------------------------|-------------------|---------------------|
| <b>ASSETS</b>  |                            |   |                             |                                    |                   |                     |
| Cash equity with State Treasurer   | \$ 1,754,957               | \$ 49,688                                     | \$ 154,875                  | \$ 14,865                          |                   | \$ 1,974,385        |
| Cash and cash equivalents  | 13,618                     |   |                             |                                    |                   | 13,618              |
| Securities lending collateral of State Treasurer   | 2,093,971                  | 22,506  | 91,228                      |                                    |                   | 2,207,705           |
| Receivables, net:  |                            |   |                             |                                    |                   |                     |
| Taxes  | 1,286,482                  | 29,461  | 111,573                     | 46,374                             |                   | 1,473,890           |
| Intergovernmental  | 1,986,331                  | 195,149                                       |                             |                                    |                   | 2,181,480           |
| Other  | 370,794                    | 89  | 89                          | 328                                |                   | 371,300             |
| Due from other funds   | 133,831                    | 10  | 564                         | 34,969                             | \$ (4,932)        | 164,442             |
| Due from component units   | 4,559                      | 8,617   |                             |                                    |                   | 13,176              |
| Inventories  | 22,921                     |   |                             |                                    |                   | 22,921              |
| Loans and notes receivable, net  | 5,380                      |   |                             |                                    |                   | 5,380               |
| Other assets   | 15,000                     |   |                             |                                    |                   | 15,000              |
| <b>Total assets</b>  | <b>\$ 7,687,844</b>        | <b>\$ 305,520</b>                             | <b>\$ 358,329</b>           | <b>\$ 96,536</b>                   | <b>\$ (4,932)</b> | <b>\$ 8,443,297</b> |
| <b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>                                     |                            |   |                             |                                    |                   |                     |
| Accounts payable and accrued liabilities   | \$ 3,534,264               | \$ 97,786                                     | \$ 87,060                   | \$ 1,144                           |                   | \$ 3,720,254        |
| Intergovernmental payables   | 2,787,818                  | 109,496                                       |                             | 52,426                             |                   | 2,949,740           |
| Due to other funds   | 3,338,393                  | 5,043   | 343,646                     | 19,425                             | \$ (4,932)        | 3,701,575           |
| Due to component units   | 28,564                     | 43,082  |                             | 215,051                            |                   | 286,697             |
| Unearned revenue   | 648,719                    |   |                             | 37,648                             |                   | 686,367             |
| Obligations under securities lending of State Treasurer                                  | 2,093,971                  | 22,506  | 91,228                      |                                    |                   | 2,207,705           |
| Matured portion of long-term liabilities   | 284                        |   |                             |                                    |                   | 284                 |
| <b>Total liabilities</b>   | <b>12,432,013</b>          | <b>277,913</b>                                | <b>521,934</b>              | <b>325,694</b>                     | <b>(4,932)</b>    | <b>13,552,622</b>   |
| Deferred inflows of resources - unavailable revenue                                      | 1,559,402                  | 163,583                                       | 4,381                       | 16,239                             |                   | 1,743,605           |
| <b>Total liabilities and deferred inflows of resources</b>                               | <b>13,991,415</b>          | <b>441,496</b>                                | <b>526,315</b>              | <b>341,933</b>                     | <b>(4,932)</b>    | <b>15,296,227</b>   |
| <b>FUND BALANCES (DEFICITS)</b>  |                            |   |                             |                                    |                   |                     |
| Nonspendable long-term portion of:   |                            |   |                             |                                    |                   |                     |
| Loans and notes receivable   | 5,380                      |   |                             |                                    |                   | 5,380               |
| Nonspendable inventories   | 22,921                     |   |                             |                                    |                   | 22,921              |
| Restricted   | 45,569                     |   |                             |                                    |                   | 45,569              |
| Committed  | 1,310,813                  | 647   |                             |                                    |                   | 1,311,460           |
| Unassigned   | (7,688,254)                | (136,623)                                     | (167,986)                   | (245,397)                          |                   | (8,238,260)         |
| <b>Total fund balances (deficits)</b>  | <b>(6,303,571)</b>         | <b>(135,976)</b>                              | <b>(167,986)</b>            | <b>(245,397)</b>                   | <b>-</b>          | <b>(6,852,930)</b>  |
| <b>Total liabilities, deferred inflows<br/>of resources and fund balances (deficits)</b> | <b>\$ 7,687,844</b>        | <b>\$ 305,520</b>                             | <b>\$ 358,329</b>           | <b>\$ 96,536</b>                   | <b>\$ (4,932)</b> | <b>\$ 8,443,297</b> |

**State of Illinois**

**Combining Schedule of Revenues, Expenditures  
and Changes in Fund Balances**

**General Fund**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|  | General Revenue Account | Medicaid Provider Assessment Program | Common School Account | Education Assistance Account | Eliminations   | Total                 |
|--|-------------------------|--------------------------------------|-----------------------|------------------------------|----------------|-----------------------|
| <b>REVENUES</b>  |                         |                                      |                       |                              |                |                       |
| Income taxes   | \$ 15,304,281           |                                      |                       | \$ 1,348,630                 |                | \$ 16,652,911         |
| Sales taxes  | 5,840,004               |                                      | \$ 1,986,955          |                              |                | 7,826,959             |
| Public utility taxes   | 963,322                 |                                      | 84,191                |                              |                | 1,047,513             |
| Medical providers assessment taxes                               | 1,210,760               | \$ 201,733                           |                       |                              |                | 1,412,493             |
| Other taxes  | 2,234,486               | 18,019                               | 101,175               |                              |                | 2,353,680             |
| Federal government   | 9,307,295               | 1,790,149                            |                       |                              |                | 11,097,444            |
| Licenses and fees  | 617,963                 | 681                                  | 686                   |                              |                | 619,330               |
| Interest and other investment income                             | 30,773                  | 233                                  | 558                   |                              |                | 31,564                |
| Other  | 388,300                 | 743,878                              |                       | 621                          |                | 1,132,799             |
| <b>Total revenues</b>  | <b>35,897,184</b>       | <b>2,754,693</b>                     | <b>2,173,565</b>      | <b>1,349,251</b>             |                | <b>42,174,693</b>     |
| <b>EXPENDITURES</b>  |                         |                                      |                       |                              |                |                       |
| Current:   |                         |                                      |                       |                              |                |                       |
| Health and social services                                       | 19,878,120              | 2,735,870                            |                       |                              |                | 22,613,990            |
| Education  | 4,841,747               |                                      | 7,367,039             | 1,778,259                    |                | 13,987,045            |
| General government   | 1,983,358               |                                      |                       |                              |                | 1,983,358             |
| Employment and economic development                              | 145,465                 |                                      |                       |                              |                | 145,465               |
| Transportation   | 568,633                 |                                      |                       |                              |                | 568,633               |
| Public protection and justice                                    | 2,604,374               |                                      |                       |                              |                | 2,604,374             |
| Environment and business regulation                              | 197,244                 |                                      |                       |                              |                | 197,244               |
| Debt service:  |                         |                                      |                       |                              |                |                       |
| Principal  | 1,687                   |                                      |                       |                              |                | 1,687                 |
| Interest   | 516                     |                                      |                       |                              |                | 516                   |
| Capital outlays  | 66,518                  |                                      | 122                   |                              |                | 66,640                |
| <b>Total expenditures</b>  | <b>30,287,662</b>       | <b>2,735,870</b>                     | <b>7,367,039</b>      | <b>1,778,381</b>             |                | <b>42,168,952</b>     |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <b>5,609,522</b>        | <b>18,823</b>                        | <b>(5,193,474)</b>    | <b>(429,130)</b>             |                | <b>5,741</b>          |
| <b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>               |                         |                                      |                       |                              |                |                       |
| Transfers-in   | 1,907,362               | 75,000                               | 5,281,976             | 455,207                      | \$ (4,863,244) | 2,856,301             |
| Transfers-out  | (7,876,752)             | (21,700)                             |                       |                              | 4,863,244      | (3,035,208)           |
| Capital lease financing  | 737                     |                                      |                       |                              |                | 737                   |
| <b>Net other sources (uses) of financial resources</b>           | <b>(5,968,653)</b>      | <b>53,300</b>                        | <b>5,281,976</b>      | <b>455,207</b>               |                | <b>(178,170)</b>      |
| <b>Net change in fund balances</b>                               | <b>(359,131)</b>        | <b>72,123</b>                        | <b>88,502</b>         | <b>26,077</b>                |                | <b>(172,429)</b>      |
| Fund balances (deficits), July 1, 2014                           | (5,942,278)             | (208,099)                            | (256,488)             | (271,474)                    |                | (6,678,339)           |
| (Decrease) for changes in inventory                              | (2,162)                 |                                      |                       |                              |                | (2,162)               |
| <b>FUND BALANCES (DEFICITS), JUNE 30, 2015</b>                   | <b>\$ (6,303,571)</b>   | <b>\$ (135,976)</b>                  | <b>\$ (167,986)</b>   | <b>\$ (245,397)</b>          | <b>\$ -</b>    | <b>\$ (6,852,930)</b> |

**State of Illinois**

**Combining Schedule of Accounts - General Fund**

**Medicaid Provider Assessment Program**

June 30, 2015 (Expressed in Thousands)

|  | County Services   | Hospital Account  | Long-Term Care Provider Account | Other Medicaid Provider Assessment Accounts | Total            |
|--|-------------------|-------------------|---------------------------------|---|------------------|
| <b>ASSETS</b>  |                   |                   |                                 |   |                  |
| Cash equity with State Treasurer   | \$ 1,038          | \$ 18,027         | \$ 30,623                       | \$ 49,688                                   |                  |
| Securities lending collateral of State Treasurer                                     | 2,982             | 8,996             | 10,528                          |   | 22,506           |
| Receivables, net:  |                   |                   |                                 |   |                  |
| Taxes  |                   | 29,086            | 375                             |   | 29,461           |
| Intergovernmental  | 106,421           | 50,851            | 37,877                          |   | 195,149          |
| Other  | 3                 | 9                 | 77                              |   | 89               |
| Due from other funds   |                   | 10                |                                 |   | 10               |
| Due from component units   |                   |                   | 8,617                           |   | 8,617            |
| <b>Total assets</b>  | <b>\$ 110,444</b> | <b>\$ 106,979</b> | <b>\$ 88,097</b>                | <b>\$ 305,520</b>                           |                  |
| <b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>                                 |                   |                   |                                 |   |                  |
| Accounts payable and accrued liabilities   | \$ 103            | \$ 90,814         | \$ 6,869                        | \$ 97,786                                   |                  |
| Intergovernmental payables   | 107,284           | 2,211             | 1                               |   | 109,496          |
| Due to other funds   | 75                | 4,958             | 10                              |   | 5,043            |
| Due to component units   |                   |                   | 43,082                          |   | 43,082           |
| Obligations under securities lending of State Treasurer                              | 2,982             | 8,996             | 10,528                          |   | 22,506           |
| <b>Total liabilities</b>   | <b>\$ 110,444</b> | <b>\$ 106,979</b> | <b>\$ 60,490</b>                | <b>\$ 277,913</b>                           |                  |
| Deferred inflows of resources - unavailable revenue                                  | 82,888            | 44,951            | 35,744                          |   | 163,583          |
| <b>Total liabilities and deferred inflows of resources</b>                           | <b>\$ 193,332</b> | <b>\$ 151,930</b> | <b>\$ 96,234</b>                | <b>\$ 441,496</b>                           |                  |
| <b>FUND BALANCES (DEFICITS)</b>  |                   |                   |                                 |   |                  |
| Committed  |                   |                   | 647                             |   | 647              |
| Unassigned   | (82,888)          | (44,951)          | (8,784)                         |   | (136,623)        |
| <b>Total fund balances (deficits)</b>  | <b>(82,888)</b>   | <b>(44,951)</b>   | <b>(8,137)</b>                  | <b></b>                                     | <b>(135,976)</b> |
| <b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b> | <b>\$ 110,444</b> | <b>\$ 106,979</b> | <b>\$ 88,097</b>                | <b>\$ 305,520</b>                           |                  |

***State of Illinois***

**Combining Schedule of Revenues, Expenditures  
and Changes in Fund Balances - General Fund  
Medicaid Provider Assessment Program**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|  | County Hospital Services Account | Long-Term Care Provider Account | Other Medicaid Provider Assessment Accounts | Total               |
|--|----------------------------------|---------------------------------|---|---------------------|
| <b>REVENUES</b>  |                                  |                                 |   |                     |
| Medical providers assessment taxes                               | \$ 183,832                       | \$ 17,901                       | \$ 201,733                                  |                     |
| Other taxes  | 18,019                           |                                 | 18,019                                      |                     |
| Federal government   | \$ 1,454,074                     | 198,668                         | 137,407                                     | 1,790,149           |
| Licenses and fees  |                                  |                                 | 681   | 681                 |
| Interest and other investment income                             | 22                               | 110                             | 101   | 233                 |
| Other  | 682,253                          |                                 | 61,625                                      | 743,878             |
| <b>Total revenues</b>  | <b>2,136,349</b>                 | <b>400,629</b>                  | <b>217,715</b>                              | <b>2,754,693</b>    |
| <b>EXPENDITURES</b>  |                                  |                                 |   |                     |
| Current:   |                                  |                                 |   |                     |
| Health and social services                                       | 2,131,655                        | 389,765                         | 214,450                                     | 2,735,870           |
| <b>Total expenditures</b>  | <b>2,131,655</b>                 | <b>389,765</b>                  | <b>214,450</b>                              | <b>2,735,870</b>    |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <b>4,694</b>                     | <b>10,864</b>                   | <b>3,265</b>                                | <b>18,823</b>       |
| <b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>               |                                  |                                 |   |                     |
| Transfers-in   | 30,000                           | 45,000                          | 75,000                                      |                     |
| Transfers-out  | (20,000)                         | (1,700)                         | (21,700)                                    |                     |
| <b>Net other sources (uses) of financial resources</b>           | <b>10,000</b>                    | <b>43,300</b>                   | <b>53,300</b>                               |                     |
| <b>Net change in fund balances</b>                               | <b>4,694</b>                     | <b>20,864</b>                   | <b>46,565</b>                               | <b>72,123</b>       |
| Fund balances (deficits), July 1, 2014                           | (87,582)                         | (65,815)                        | (54,702)                                    | (208,099)           |
| <b>FUND BALANCES (DEFICITS), JUNE 30, 2015</b>                   | <b>\$ (82,888)</b>               | <b>\$ (44,951)</b>              | <b>\$ (8,137)</b>                           | <b>\$ (135,976)</b> |

**State of Illinois**

**Combining Balance Sheet -  
Nonmajor Governmental Funds**

June 30, 2015 (Expressed in Thousands)

|  | Special<br>Revenue<br>Funds | Debt<br>Service<br>Funds | Capital<br>Projects<br>Funds | Permanent<br>Funds | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|-----------------------------|--------------------------|------------------------------|--------------------|--|
| <b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>                                     |                             |                          |                              |                    |  |
| Cash equity with State Treasurer   | \$ 2,353,817                | \$ 1,230,118             | \$ 566,379                   | \$ 14,104          | \$ 4,164,418                               |
| Cash and cash equivalents  | 224,965                     | 160,644                  | 6,517                        | 196                | 392,322                                    |
| Securities lending collateral of State Treasurer                                     | 228,345                     | 437,693                  |                              | 977                | 667,015                                    |
| Investments  | 20,641                      |                          |                              | 35,393             | 56,034                                     |
| Receivables, net:  |                             |                          |                              |                    |  |
| Taxes  | 524,563                     |                          |                              |                    | 524,563                                    |
| Intergovernmental  | 967,586                     | 10,381                   | 4,562                        |                    | 982,529                                    |
| Other  | 567,139                     | 425                      |                              | 1                  | 567,565                                    |
| Due from other funds   | 1,153,291                   | 3,713                    | 33,755                       |                    | 1,190,759                                  |
| Due from component units   | 348,900                     |                          |                              |                    | 348,900                                    |
| Inventories  | 17,320                      |                          |                              |                    | 17,320                                     |
| Loans and notes receivable, net  | 55,831                      | 7,850                    | 1,500                        |                    | 65,181                                     |
| Other assets   | 42,097                      |                          |                              |                    | 42,097                                     |
| <b>Total assets</b>  | <b>6,504,495</b>            | <b>1,850,824</b>         | <b>612,713</b>               | <b>50,671</b>      | <b>9,018,703</b>                           |
| Deferred outflows of resources - intra-entity transfers of future revenues           | 809,538                     |                          |                              |                    | 809,538                                    |
| <b>Total assets and deferred outflows of resources</b>                               | <b>\$ 7,314,033</b>         | <b>\$ 1,850,824</b>      | <b>\$ 612,713</b>            | <b>\$ 50,671</b>   | <b>\$ 9,828,241</b>                        |
| <b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>                                 |                             |                          |                              |                    |  |
| Accounts payable and accrued liabilities   | \$ 634,961                  |                          | \$ 125,781                   |                    | \$ 760,742                                 |
| Intergovernmental payables   | 1,896,242                   |                          | 185,757                      |                    | 2,081,999                                  |
| Due to other funds   | 475,036                     |                          | 943                          | \$ 1,221           | 477,200                                    |
| Due to component units   | 37,705                      |                          | 1,605                        |                    | 39,310                                     |
| Unearned revenue   | 294,535                     |                          | 941                          |                    | 295,476                                    |
| Obligations under securities lending of State Treasurer                              | 228,345                     | \$ 437,693               |                              | 977                | 667,015                                    |
| <b>Total liabilities</b>   | <b>3,566,824</b>            | <b>437,693</b>           | <b>315,027</b>               | <b>2,198</b>       | <b>4,321,742</b>                           |
| Deferred inflows of resources - unavailable revenue                                  | 824,239                     |                          |                              |                    | 824,239                                    |
| Deferred inflows of resources - intra-entity transfers of future revenues            | 809,538                     |                          |                              |                    | 809,538                                    |
| <b>Total liabilities and deferred inflows of resources</b>                           | <b>5,200,601</b>            | <b>437,693</b>           | <b>315,027</b>               | <b>2,198</b>       | <b>5,955,519</b>                           |
| <b>FUND BALANCES (DEFICITS)</b>  |                             |                          |                              |                    |  |
| Nonspendable - inventories   | 17,320                      |                          |                              |                    | 17,320                                     |
| Nonspendable - endowments and similar funds  |                             |                          |                              | 45,070             | 45,070                                     |
| Restricted   | 1,570,612                   | 1,413,131                | 372                          | 3,403              | 2,987,518                                  |
| Committed  | 1,885,673                   |                          | 310,543                      |                    | 2,196,216                                  |
| Assigned   | 1,227                       |                          |                              |                    | 1,227                                      |
| Unassigned   | (1,361,400)                 |                          | (13,229)                     |                    | (1,374,629)                                |
| <b>Total fund balances (deficits)</b>  | <b>2,113,432</b>            | <b>1,413,131</b>         | <b>297,686</b>               | <b>48,473</b>      | <b>3,872,722</b>                           |
| <b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b> | <b>\$ 7,314,033</b>         | <b>\$ 1,850,824</b>      | <b>\$ 612,713</b>            | <b>\$ 50,671</b>   | <b>\$ 9,828,241</b>                        |

**State of Illinois**

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Nonmajor Governmental Funds**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|  | Special<br>Revenue<br>Funds | Debt<br>Service<br>Funds | Capital<br>Projects<br>Funds | Permanent<br>Funds | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|-----------------------------|--------------------------|------------------------------|--------------------|--|
| <b>REVENUES</b>  |                             |                          |                              |                    |  |
| Income taxes   | \$ 3,256,348                |                          |                              |                    | \$ 3,256,348                               |
| Sales taxes  | 3,179,446                   |                          |                              |                    | 3,179,446                                  |
| Motor fuel taxes   | 808,274                     |                          |                              |                    | 808,274                                    |
| Public utility taxes   | 414,294                     |                          |                              |                    | 414,294                                    |
| Riverboat taxes  | 498,309                     |                          |                              |                    | 498,309                                    |
| Other taxes  | 402,513                     |                          |                              |                    | 402,513                                    |
| Federal government   | 9,278,931                   | \$ 64,900                | \$ 20,441                    | \$ 46              | 9,364,272                                  |
| Licenses and fees  | 681,158                     | 154                      |                              |                    | 681,358                                    |
| Interest and other investment income                                 | 16,664                      | 6,050                    |                              | 1,592              | 24,306                                     |
| Other  | 946,731                     | 7                        | 16,636                       |                    | 963,374                                    |
| <b>Total revenues</b>  | <b>19,482,668</b>           | <b>71,111</b>            | <b>37,077</b>                | <b>1,638</b>       | <b>19,592,494</b>                          |
| <b>EXPENDITURES</b>  |                             |                          |                              |                    |  |
| Current:   |                             |                          |                              |                    |  |
| Health and social services   | 6,415,294                   |                          | 659                          | 31                 | 6,415,984                                  |
| Education  | 2,651,998                   |                          | 519,971                      |                    | 3,171,969                                  |
| General government   | 328,838                     | 73                       | 63,045                       |                    | 391,956                                    |
| Employment and economic development                                  | 826,981                     | 17                       | 251,310                      |                    | 1,078,308                                  |
| Transportation   | 506,818                     | 1                        | 477,227                      |                    | 984,046                                    |
| Public protection and justice  | 439,952                     |                          | 18,209                       |                    | 458,161                                    |
| Environment and business regulation                                  | 736,735                     |                          | 22,842                       |                    | 759,577                                    |
| Debt service:  |                             |                          |                              |                    |  |
| Principal  | 77,347                      | 2,325,695                |                              |                    | 2,403,042                                  |
| Interest   | 71,976                      | 1,604,625                |                              |                    | 1,676,601                                  |
| Capital outlays  | 63,173                      | 181                      | 831,540                      |                    | 894,894                                    |
| Intergovernmental  | 5,956,535                   |                          |                              |                    | 5,956,535                                  |
| <b>Total expenditures</b>  | <b>18,075,647</b>           | <b>3,930,592</b>         | <b>2,184,803</b>             | <b>31</b>          | <b>24,191,073</b>                          |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>1,407,021</b>            | <b>(3,859,481)</b>       | <b>(2,147,726)</b>           | <b>1,607</b>       | <b>(4,598,579)</b>                         |
| <b>OTHER SOURCES (USES) OF<br/>FINANCIAL RESOURCES</b>               |                             |                          |                              |                    |  |
| Transfers-in   | 555,459                     | 3,593,712                | 171,438                      |                    | 4,320,609                                  |
| Transfers-out  | (2,408,420)                 | (131,518)                | (173,486)                    | (1,068)            | (2,714,492)                                |
| Capital lease financing  | 2,545                       |                          |                              |                    | 2,545                                      |
| <b>Net other sources (uses) of<br/>financial resources</b>           | <b>(1,850,416)</b>          | <b>3,462,194</b>         | <b>(2,048)</b>               | <b>(1,068)</b>     | <b>1,608,662</b>                           |
| <b>Net change in fund balances</b>                                   | <b>(443,395)</b>            | <b>(397,287)</b>         | <b>(2,149,774)</b>           | <b>539</b>         | <b>(2,989,917)</b>                         |
| Fund balances, July 1, 2014  | 2,556,119                   | 1,810,418                | 2,447,460                    | 47,934             | 6,861,931                                  |
| Increase for changes in inventories                                  | 708                         |                          |                              |                    | 708  |
| <b>FUND BALANCES, JUNE 30, 2015</b>                                  | <b>\$ 2,113,432</b>         | <b>\$ 1,413,131</b>      | <b>\$ 297,686</b>            | <b>\$ 48,473</b>   | <b>\$ 3,872,722</b>                        |

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## **SPECIAL REVENUE FUNDS**

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

### **SIGNIFICANT NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS DESCRIPTIONS**

#### **Secretary of State**

Secretary of State Identification Security and Theft Prevention Fund--to provide funding for identification security theft and security measures.

#### **Treasurer**

Unclaimed Property Trust Fund--to account for monies received as abandoned property or from the sale of abandoned property pursuant to the Uniform Disposition of Unclaimed Property Act.

Tobacco Settlement Recovery Fund--to account for monies received annually as a part of the Master Settlement Agreement in the People of the State of Illinois v. Philip Morris et al.

#### **Department of Children and Family Services**

DCFS Childrens' Services Fund--to account for revenues and expenditures related to the federal Title IV-E foster care and adoption service program.

#### **Department of Commerce and Economic Opportunity**

State Small Business Credit Initiative Fund--to receive and record monies obtained from capital provided in accordance with the provisions of the State Small Business Credit Initiative.

Supplemental Low Income Energy Assistance Fund--to provide assistance to low-income households in paying heating and cooling costs.

Tourism Promotion Fund--to provide assistance for the promotion and marketing of local tourist attractions and services throughout the State.

#### **Department of Natural Resources**

Abandoned Mined Land Reclamation Set-Aside Fund--to record and disburse monies received under the Federal Surface Mining Control and Reclamation Act.

Open Space Lands Acquisition and Development Fund--to receive deposits from monies collected under the Real Estate Transfer Tax Act to be transferred, appropriated and used only for the purposes authorized by the Open Space Lands Acquisition and Development Act.

#### **Department of Employment Security**

Title III Social Security and Employment Service Fund--to account for monies received from the federal government for the specific purpose of administering the Unemployment Compensation Act.

#### **Department of Human Services**

Employment and Training Fund--to receive and disburse monies in accordance with the provisions of Title IV-A of the Federal Social Security Act, the Food Stamp Act, Title 7 of the United States Code, and related rules and regulations governing the use of those monies for the purposes of providing employment and training services.

DHS Special Purposes Trust Fund--to receive and disburse federal grants, gifts and legacies not elsewhere designated by statute to be deposited and disbursed.

Commitment to Human Services Fund--to receive and record monies obtained from taxes imposed on individuals, trusts, and estates in accordance with the Illinois Income Tax Act, to be expended for financial assistance for community-based human service providers.

DHS Recoveries Trust Fund--to receive and record monies obtained from recoveries as authorized by the appropriate sections and articles of the Public Aid Code.

Food Stamp and Commodity Fund--to account for food stamps and commodities received from the federal government.

**Illinois Power Agency**

Illinois Power Agency Renewable Energy Resources Fund--to account for the procurement of renewable energy resources.

**Department of Insurance**

Insurance Financial Regulation Fund--to account for fees collected and expenditures in administering financial regulation in accordance with the Illinois Insurance Code.

**Department of Public Health**

Public Health Services Fund--to account for federal funds received from the federal government for various federal project awards.

Public Health Special State Projects Fund--to receive and disburse private funds donated to the Department of Public Health or otherwise provided by non-governmental agencies.

**Department of Revenue**

Rental Housing Support Program Fund--to receive and record monies obtained from surcharge fees for the recording of real estate related documents as defined in section seven of the Rental Housing Support Program Act.

State and Local Sales Tax Reform Fund--to record proceeds from the 1% use tax on food and drugs and 20% of the proceeds from the 6.25% sales tax.

County and Mass Transit District Fund--to record 4% of the proceeds from a 6.25% Retailers' and Service Occupation Tax.

Local Government Tax Fund--to account for 15% share of various sales taxes that will be distributed to cities and counties.

Illinois Affordable Housing Trust Fund--to account for a portion of the State real estate transfer tax used for grants and low or no interest mortgages or other loans to acquire, construct, rehabilitate, develop, operate, insure, and retain affordable single family and multi-family housing for low-income households.

Local Government Distributive Fund--to receive one-tenth of the State's income tax collections to distribute to various municipalities and counties within the State.

Personal Property Tax Replacement Fund--to allocate and disburse to each taxing district within the State the net revenue received from the personal property replacement income tax.

Senior Citizens' Real Estate Deferred Tax Revolving Fund--to make payments to county collectors as provided in the Senior Citizens Real Estate Deferral Act. All monies received in payment of deferred taxes and accrued interest under section seven of this Act are deposited into this fund.

Build Illinois Fund--to receive a percentage of sales, hotel and privilege taxes to be used for monthly allocation to various State agencies for the purpose of promoting tourism related activities.

**Department of Transportation**

Motor Fuel Tax Fund--to account for the activities of various transportation related program expenditures and the administrative cost of supervising the use of funds apportioned to municipalities, counties, and road districts.

Federal High Speed Rail Trust Fund--to receive and record monies received pursuant to an agreement with the federal government regarding the federal share of the high speed rail project.

Downstate Public Transportation Fund--to provide financial assistance for local governments with public transportation systems.

**Railsplitter Tobacco Settlement Authority**

Railsplitter Trustee Account Fund--to account for the payment of principal and interest on bonds issued in exchange for rights to the State's future tobacco settlement revenues.

**Illinois Gaming Board**

State Gaming Fund--to receive and record fees obtained from owners' license applications for riverboat gambling operations.

**State Board of Education**

SBE Federal Department of Agriculture Fund--to account for the federal share of nutrition programs which provide nutritious meals for children and aging adults.

SBE Federal Department of Education Fund--to receive and disburse federal monies to provide financial assistance for educational programs funded by the U.S. Department of Education.

Fund for the Advancement of Education--to receive and record monies obtained from taxes imposed on individuals, trusts, and estates in accordance with the Illinois Income Tax Act, to be expended for financial assistance for education programs.

**Workers' Compensation Commission**

Settlement Fund – Illinois Chamber of Commerce v. Filan--to receive and record monies obtained from the fund transfers specified in the settlement agreement.

**State of Illinois**

**Combining Balance Sheet**

**Nonmajor Special Revenue Funds**

June 30, 2015 (Expressed in Thousands)

|  | Secretary of<br>State                                      |                   |                   |   |                   |                      |                |
|--|--|-------------------|-------------------|---|-------------------|----------------------|----------------|
|  | Secretary of<br>State                                      |                   |                   | Commerce and<br>Economic<br>Opportunity |                   | Natural<br>Resources |                |
|  | Identification<br>Security and<br>Theft Prevention<br>Fund | Treasurer         |                   |   |                   |                      | Human Services |
| <b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>           |  |                   |                   |   |                   |                      |                |
| Cash equity with State Treasurer                           | \$ 58,851  | \$ 168,310        | \$ 55,743         | \$ 71,715                               | \$ 123,673        |                      |                |
| Cash and cash equivalents                                  |  |                   |                   |   |                   |                      |                |
| Securities lending collateral of State Treasurer           |  |                   | 15,386            |   | 15,708            |                      |                |
| Investments  |  |                   |                   |   |                   |                      |                |
| Receivables, net:  |  |                   |                   |   |                   |                      |                |
| Taxes  |  |                   | 8,045             |   |                   |                      | 51,915         |
| Intergovernmental  |  | 25,546            |                   |   |                   |                      | 62,043         |
| Other  |  | 472               | 16                |   | 15                |                      | 144,860        |
| Due from other funds                                       |  | 72,660            | 110,066           |   | 40,003            |                      | 61,770         |
| Due from component units                                   |  |                   |                   |   |                   |                      |                |
| Inventories  |  |                   |                   |   |                   |                      |                |
| Loans and notes receivable, net                            |  |                   | 500               |   |                   |                      |                |
| Other assets   |  |                   | 41,913            |   |                   |                      |                |
| <b>Total assets</b>  | <b>58,851</b>  | <b>266,988</b>    | <b>231,669</b>    | <b>127,441</b>                          | <b>444,261</b>    |                      |                |
| Deferred outflows of resources - intra-entity transfers    |  |                   |                   |   |                   |                      |                |
| of future revenues   |  |                   |                   |   |                   |                      |                |
| <b>Total assets and deferred outflows of resources</b>     | <b>\$ 58,851</b>   | <b>\$ 266,988</b> | <b>\$ 231,669</b> | <b>\$ 127,441</b>                       | <b>\$ 444,261</b> |                      |                |
| <b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>       |  |                   |                   |   |                   |                      |                |
| Accounts payable and accrued liabilities                   | \$ 1,056   | \$ 29,136         | \$ 17,544         | \$ 30                                   | \$ 130,422        |                      |                |
| Intergovernmental payables                                 |  | 6,775             | 466               |   | 22,146            |                      | 6,754          |
| Due to other funds   |  | 17,253            | 575               |   | 13                |                      | 11,813         |
| Due to component units                                     |  | 113               | 1                 |   |                   |                      | 2,182          |
| Unearned revenue   |  |                   | 21,371            |   |                   |                      | 69             |
| Obligations under securities lending of State Treasurer    |  |                   | 15,386            |   | 15,708            |                      |                |
| <b>Total liabilities</b>                                   | <b>1,056</b>   | <b>53,277</b>     | <b>55,343</b>     | <b>37,897</b>                           | <b>151,240</b>    |                      |                |
| Deferred inflows of resources - unavailable revenue        |  | 10,905            |                   |   |                   |                      | 154,075        |
| Deferred inflows of resources - intra-entity transfers     |  |                   |                   |   |                   |                      |                |
| of future revenues   |  | 809,538           |                   |   |                   |                      |                |
| <b>Total liabilities and deferred inflows of resources</b> | <b>1,056</b>   | <b>873,720</b>    | <b>55,343</b>     | <b>37,897</b>                           | <b>305,315</b>    |                      |                |
| <b>FUND BALANCES (DEFICITS)</b>                            |  |                   |                   |   |                   |                      |                |
| Nonspendable inventories                                   |  |                   |                   |   |                   |                      |                |
| Restricted   |  | 61,693            | 55,326            | 35,021                                  | 63,200            |                      |                |
| Committed  |  | 57,795            | 74,793            | 121,000                                 | 54,523            |                      | 77,771         |
| Assigned   |  |                   |                   |   |                   |                      |                |
| Unassigned   |  | (743,218)         |                   |   |                   | (2,025)              |                |
| <b>Total fund balances (deficits)</b>                      | <b>57,795</b>  | <b>(606,732)</b>  | <b>176,326</b>    | <b>89,544</b>                           | <b>138,946</b>    |                      |                |
| <b>Total liabilities, deferred inflows</b>                 |  |                   |                   |   |                   |                      |                |
| <b>of resources and fund balances (deficits)</b>           | <b>\$ 58,851</b>   | <b>\$ 266,988</b> | <b>\$ 231,669</b> | <b>\$ 127,441</b>                       | <b>\$ 444,261</b> |                      |                |

| Public Health | Revenue      | Transportation | Other Departments | State Board of Education | Other Agencies, Boards and Authorities | Other        | Total        |
|---------------|--------------|----------------|-------------------|--------------------------|--|--------------|--------------|
| \$ 42,133     | \$ 542,472   | \$ 99,957      | \$ 107,639        | \$ 3,339                 | \$ 72,175                              | \$ 1,007,810 | \$ 2,353,817 |
|               |              |                | 394               |                          | 186,351                                | 38,220       | 224,965      |
|               | 65,130       |                |                   |                          |  | 132,121      | 228,345      |
|               |              |                |                   |                          |  | 20,641       | 20,641       |
|               | 231,181      | 123,664        |                   | 51,922                   | 1,648                                  | 56,188       | 524,563      |
| 29,539        |              | 74,985         | 174,234           | 383,879                  |  | 217,360      | 967,586      |
|               | 13,719       |                | 104,694           | 762                      | 132,677                                | 169,924      | 567,139      |
| 7,035         | 529,936      | 173,601        | 1,731             | 17,684                   |  | 138,805      | 1,153,291    |
| 4             | 348,224      |                |                   | 140                      |  | 532          | 348,900      |
| 436           |              |                | 306               | 1,274                    |  | 15,304       | 17,320       |
|               | 42,550       |                |                   |                          |  | 12,781       | 55,831       |
|               |              |                |                   |                          |  | 184          | 42,097       |
| 79,147        | 1,773,212    | 472,207        | 388,998           | 459,000                  | 392,851                                | 1,809,870    | 6,504,495    |
|               |              |                |                   |                          | 809,538                                |              | 809,538      |
| \$ 79,147     | \$ 1,773,212 | \$ 472,207     | \$ 388,998        | \$ 459,000               | \$ 1,202,389                           | \$ 1,809,870 | \$ 7,314,033 |
|               |              |                |                   |                          |  |              |              |
| \$ 20,704     | \$ 63,035    | \$ 65,015      | \$ 69,876         | \$ 30,392                | \$ 1,450                               | \$ 206,301   | \$ 634,961   |
| 3,664         | 1,232,886    | 112,197        | 3,850             | 345,501                  | 9,963                                  | 152,040      | 1,896,242    |
| 1,540         | 114,635      | 99,169         | 10,631            | 9,380                    | 96,490                                 | 113,537      | 475,036      |
| 764           | 2,171        |                | 5,931             | 1,693                    | 89                                     | 24,761       | 37,705       |
| 7,250         | 196,611      |                |                   | 997                      |  | 68,237       | 294,535      |
|               | 65,130       |                |                   |                          |  | 132,121      | 228,345      |
| 33,922        | 1,674,468    | 276,381        | 90,288            | 387,963                  | 107,992                                | 696,997      | 3,566,824    |
| 4,586         | 32,728       | 58,015         | 153,944           | 94,981                   | 132,509                                | 182,496      | 824,239      |
|               |              |                |                   |                          |  |              | 809,538      |
| 38,508        | 1,707,196    | 334,396        | 244,232           | 482,944                  | 240,501                                | 879,493      | 5,200,601    |
|               |              |                |                   |                          |  |              |              |
| 436           |              | 306            |                   | 1,274                    |  | 15,304       | 17,320       |
|               | 41,782       |                | 34,379            | 243                      | 961,888                                | 317,080      | 1,570,612    |
| 39,374        | 442,437      | 172,227        | 129,306           | 60,935                   |  | 655,512      | 1,885,673    |
| 1,227         |              |                |                   |                          |  |              | 1,227        |
| (398)         | (418,203)    | (34,416)       | (19,225)          | (86,396)                 |  | (57,519)     | (1,361,400)  |
| 40,639        | 66,016       | 137,811        | 144,766           | (23,944)                 | 961,888                                | 930,377      | 2,113,432    |
|               |              |                |                   |                          |  |              |              |
| \$ 79,147     | \$ 1,773,212 | \$ 472,207     | \$ 388,998        | \$ 459,000               | \$ 1,202,389                           | \$ 1,809,870 | \$ 7,314,033 |

**State of Illinois**

**Combining Statement of Revenues, Expenditures**

**and Changes in Fund Balances**

**Nonmajor Special Revenue Funds**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|  | <b>Secretary of<br/>State</b> | <b>Secretary of<br/>State<br/>Identification<br/>Security and<br/>Theft Prevention<br/>Fund</b> | <b>Treasurer</b>  | <b>Commerce and<br/>Economic<br/>Opportunity</b> | <b>Natural<br/>Resources</b> | <b>Human Services</b> |
|--|-------------------------------|---|-------------------|--|------------------------------|-----------------------|
| <b>REVENUES</b>  |                               |   |                   |  |                              |                       |
| Income taxes   |                               |   |                   |  | \$ 285,935                   |                       |
| Sales taxes  |                               |   |                   |  |                              |                       |
| Motor fuel taxes   |                               |   |                   |  |                              |                       |
| Public utility taxes   |                               |   |                   | \$ 102,789                                       |                              |                       |
| Riverboat taxes  |                               |   |                   |  |                              |                       |
| Other taxes  |                               |   |                   | 53,419   | \$ 22,613                    |                       |
| Federal government   |                               |   | \$ 69,251         | 10,055   | 9,900                        | 4,094,937             |
| Licenses and fees  |                               |   |                   |  |                              |                       |
| Interest and other investment income                                 |                               |   | 5                 | 7,853  | 156                          |                       |
| Other  |                               |   | 218,208           |  |                              | 12,852                |
| <b>Total revenues</b>  |                               |   | <b>287,464</b>    | <b>174,116</b>                                   | <b>32,669</b>                | <b>4,393,724</b>      |
| <b>EXPENDITURES</b>  |                               |   |                   |  |                              |                       |
| Current:   |                               |   |                   |  |                              |                       |
| Health and social services   |                               |   |                   | 199,546  | 107,146                      | 4,285,668             |
| Education  |                               |   |                   | 197,000  |                              |                       |
| General government   |                               |   | \$ 5,234          | 9,333  |                              |                       |
| Employment and economic development                                  |                               |   |                   |  | 56,399                       |                       |
| Transportation   |                               |   |                   |  |                              |                       |
| Public protection and justice  |                               |   |                   |  |                              | 18,781                |
| Environment and business regulation                                  |                               |   |                   |  |                              |                       |
| Debt service:  |                               |   |                   |  |                              |                       |
| Principal  |                               |   |                   |  |                              | 2                     |
| Interest   |                               |   |                   |  |                              |                       |
| Capital outlays  |                               |   | 55                |  |                              |                       |
| Intergovernmental  |                               |   |                   |  |                              |                       |
| <b>Total expenditures</b>  |                               |   | <b>5,289</b>      | <b>405,879</b>                                   | <b>163,545</b>               | <b>18,781</b>         |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> |                               |   | <b>(5,289)</b>    | <b>(118,415)</b>                                 | <b>10,571</b>                | <b>13,888</b>         |
| <b>OTHER SOURCES (USES) OF<br/>FINANCIAL RESOURCES</b>               |                               |   |                   |  |                              |                       |
| Transfers-in   |                               |   | 11,287            | 210,826  |                              |                       |
| Transfers-out  |                               |   |                   | (4,000)  | (1,709)                      | (26,175)              |
| Capital lease financing  |                               |   |                   |  |                              |                       |
| <b>Net other sources (uses) of<br/>financial resources</b>           |                               |   | <b>11,287</b>     | <b>206,826</b>                                   | <b>(1,709)</b>               | <b>(26,175)</b>       |
| <b>Net change in fund balances</b>                                   |                               |   | <b>5,998</b>      | <b>88,411</b>                                    | <b>8,862</b>                 | <b>13,888</b>         |
| Fund balances (deficits), July 1, 2014                               |                               |   | 51,797            | (695,143)  | 167,464                      | 75,656                |
| Increase (decrease) for changes in inventories                       |                               |   |                   |  |                              | 57,067                |
| <b>FUND BALANCES (DEFICITS), JUNE 30, 2015</b>                       | <b>\$ 57,795</b>              | <b>\$ (606,732)</b>   | <b>\$ 176,326</b> | <b>\$ 89,544</b>                                 | <b>\$ 138,946</b>            |                       |

| Public Health | Revenue                   | Transportation        | Other Departments          | State Board of Education  | Other Agencies, Boards and Authorities | Other                         | Total                                |
|---------------|---------------------------|-----------------------|----------------------------|---------------------------|--|-------------------------------|--------------------------------------|
|               | \$ 2,679,560<br>2,926,524 | \$ 210,401<br>736,236 |                            | \$ 285,935                |  | \$ 4,918<br>42,521<br>72,038  | \$ 3,256,348<br>3,179,446<br>808,274 |
|               | 208,846                   |                       |                            |                           | \$ 498,309                             | 102,659                       | 414,294<br>498,309                   |
|               | 184,699                   |                       |                            |                           |  |                               | 141,782                              |
| \$ 260,125    | 229,623                   | \$ 588,698            | 2,193,189                  |                           | 4,435                                  | 1,823,153<br>651,787<br>31    | 9,278,931<br>681,158<br>4,773        |
| 13            | 931                       | 23,992                |                            |                           |  |                               | 16,664                               |
| 3,807         |                           | 38                    | 1                          |                           |  |                               |                                      |
| 6,396         | 7,283                     | 15                    | 81,766                     | 27                        | 267,475                                | 352,709                       | 946,731                              |
| 266,521       | 6,010,732                 | 1,177,206             | 694,494                    | 2,479,152                 | 770,250                                | 3,196,340                     | 19,482,668                           |
| 259,100       | 13,032                    |                       | 439,497                    |                           | 767                                    | 1,110,538                     | 6,415,294                            |
| 112,596       | 48,101                    |                       |                            | 2,374,212                 |  | 80,786                        | 2,651,998                            |
|               |                           | 196,672               |                            |                           | 50                                     | 153,524                       | 328,838                              |
|               | 424,760                   |                       |                            |                           |  | 573,910                       | 826,981                              |
|               |                           |                       |                            |                           | 48,186                                 | 82,058<br>391,766             | 506,818<br>439,952                   |
|               |                           |                       | 18,877                     |                           |  | 699,077                       | 736,735                              |
| 5             |                           |                       | 30                         |                           | 76,820                                 | 490                           | 77,347                               |
| 1             |                           |                       | 6                          |                           | 71,869                                 | 100                           | 71,976                               |
| 134           | 26,944                    | 686                   | 3,872                      |                           | 6                                      | 31,476                        | 63,173                               |
| 5,246,571     | 534,404                   |                       |                            |                           | 94,803                                 | 80,757                        | 5,956,535                            |
| 259,240       | 5,372,199                 | 1,034,209             | 655,768                    | 2,378,084                 | 292,501                                | 3,204,482                     | 18,075,647                           |
| 7,281         | 638,533                   | 142,997               | 38,726                     | 101,068                   | 477,749                                | (8,142)                       | 1,407,021                            |
|               |                           |                       |                            |                           |  |                               |                                      |
| (5,000)       | 93,448<br>(945,640)       | (250,870)             | 24,372<br>(121,598)<br>160 | (25,000)                  | (572,486)                              | 215,526<br>(455,942)<br>2,385 | 555,459<br>(2,408,420)<br>2,545      |
| (5,000)       | (852,192)                 | (250,870)             | (97,066)                   | (25,000)                  | (572,486)                              | (238,031)                     | (1,850,416)                          |
| 2,281         | (213,659)                 | (107,873)             | (58,340)                   | 76,068                    | (94,737)                               | (246,173)                     | (443,395)                            |
| 38,293        | 279,675                   | 245,684               | 203,094                    | (98,582)<br>12<br>(1,430) | 1,056,625                              | 1,174,489<br>2,061            | 2,556,119<br>708                     |
| \$ 40,639     | \$ 66,016                 | \$ 137,811            | \$ 144,766                 | \$ (23,944)               | \$ 961,888                             | \$ 930,377                    | \$ 2,113,432                         |

***State of Illinois*****Combining Balance Sheet - Nonmajor Special Revenue Funds****Treasurer**

June 30, 2015 (Expressed in Thousands)

|  | Unclaimed<br>Property Trust<br>Fund | Tobacco<br>Settlement<br>Recovery Fund | Total             |
|--|-------------------------------------|--|-------------------|
| <b>ASSETS</b>  |                                     |  |                   |
| Cash equity with State Treasurer   | \$ 136,541                          | \$ 31,769                              | \$ 168,310        |
| Receivables, net:  |                                     |  |                   |
| Intergovernmental  |                                     | 25,546                                 | 25,546            |
| Other  |                                     | 472                                    | 472               |
| Due from other funds   | 364                                 | 72,296                                 | 72,660            |
| <b>Total assets</b>  | <b>\$ 136,905</b>                   | <b>\$ 130,083</b>                      | <b>\$ 266,988</b> |
| <b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>                                 |                                     |  |                   |
| Accounts payable and accrued liabilities   | \$ 379                              | \$ 28,757                              | \$ 29,136         |
| Intergovernmental payables   | 1                                   | 6,774                                  | 6,775             |
| Due to other funds   | 39                                  | 17,214                                 | 17,253            |
| Due to component units   |                                     | 113                                    | 113               |
| <b>Total liabilities</b>   | <b>419</b>                          | <b>52,858</b>                          | <b>53,277</b>     |
| Deferred inflows of resources - unavailable revenue                                  |                                     | 10,905                                 | 10,905            |
| Deferred inflows of resources - intra-entity transfers of future revenues            |                                     | 809,538                                | 809,538           |
| <b>Total liabilities and deferred inflows of resources</b>                           | <b>419</b>                          | <b>873,301</b>                         | <b>873,720</b>    |
| <b>FUND BALANCES (DEFICITS)</b>  |                                     |  |                   |
| Restricted   | 61,693                              |  | 61,693            |
| Committed  | 74,793                              |  | 74,793            |
| Unassigned   |                                     | (743,218)                              | (743,218)         |
| <b>Total fund balances (deficits)</b>  | <b>136,486</b>                      | <b>(743,218)</b>                       | <b>(606,732)</b>  |
| <b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b> | <b>\$ 136,905</b>                   | <b>\$ 130,083</b>                      | <b>\$ 266,988</b> |

***State of Illinois***

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Nonmajor Special Revenue Funds**

**Treasurer**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|  | Unclaimed<br>Property Trust<br>Fund | Tobacco<br>Settlement<br>Recovery Fund | Total               |
|--|-------------------------------------|--|---------------------|
| <b>REVENUES</b>  |                                     |  |                     |
| Federal government   | \$ 69,251                           | \$ 69,251                              | 69,251              |
| Interest and other investment income                                 | 5                                   | 5                                      | 5                   |
| Other  | \$ 217,885                          | 323                                    | 218,208             |
| <b>Total revenues</b>  | <b>\$ 217,885</b>                   | <b>69,579</b>                          | <b>287,464</b>      |
| <b>EXPENDITURES</b>  |                                     |  |                     |
| Current:   |                                     |  |                     |
| Health and social services   | 199,546                             | 199,546                                | 199,546             |
| Education  | 197,000                             | 197,000                                | 197,000             |
| General government   | 9,333                               | 9,333                                  | 9,333               |
| <b>Total expenditures</b>  | <b>206,333</b>                      | <b>199,546</b>                         | <b>405,879</b>      |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>11,552</b>                       | <b>(129,967)</b>                       | <b>(118,415)</b>    |
| <b>OTHER SOURCES (USES) OF<br/>FINANCIAL RESOURCES</b>               |                                     |  |                     |
| Transfers-in   | 1,022                               | 209,804                                | 210,826             |
| Transfers-out  | (4,000)                             | (4,000)                                | (4,000)             |
| <b>Net other sources (uses) of<br/>financial resources</b>           | <b>1,022</b>                        | <b>205,804</b>                         | <b>206,826</b>      |
| <b>Net change in fund balances</b>                                   | <b>12,574</b>                       | <b>75,837</b>                          | <b>88,411</b>       |
| Fund balances (deficits), July 1, 2014                               | 123,912                             | (819,055)                              | (695,143)           |
| <b>FUND BALANCES (DEFICITS), JUNE 30, 2015</b>                       | <b>\$ 136,486</b>                   | <b>\$ (743,218)</b>                    | <b>\$ (606,732)</b> |

***State of Illinois***
**Combining Balance Sheet - Nonmajor Special Revenue Funds**  
**Commerce and Economic Opportunity**

June 30, 2015 (Expressed in Thousands)

|   |           |   |   | Supplemental              |           |               |                |
|---|-----------|---|---|---------------------------|-----------|---------------|----------------|
|   |           | State Small<br>Business Credit<br>Initiative Fund | Low Income<br>Energy<br>Assistance Fund | Tourism<br>Promotion Fund |           | Total         |                |
| <b>ASSETS</b>   |           |   |   |                           |           |               |                |
| Cash equity with State Treasurer                        | \$        | 34,485  | \$                                      | 17,485                    | \$        | 3,773         | \$             |
| Securities lending collateral of State Treasurer        |           | 15,386  |   |                           |           |               | 55,743         |
| Receivables, net:                                       |           |   |   |                           |           |               | 15,386         |
| Taxes   |           |   |   | 8,045                     |           |               | 8,045          |
| Other   |           | 16  |   |                           |           |               | 16             |
| Due from other funds                                    |           |   |   | 75,006                    |           | 35,060        |                |
| Loans and notes receivable, net                         |           | 500   |   |                           |           |               | 500            |
| Other assets  |           | 41,913  |   |                           |           |               | 41,913         |
| <b>Total assets</b>                                     | <b>\$</b> | <b>92,300</b>                                     | <b>\$</b>                               | <b>100,536</b>            | <b>\$</b> | <b>38,833</b> | <b>\$</b>      |
|   |           |   |   |                           |           |               | <b>231,669</b> |
| <b>LIABILITIES</b>                                      |           |   |   |                           |           |               |                |
| Accounts payable and accrued liabilities                | \$        | 8   | \$                                      | 12,610                    | \$        | 4,926         | \$             |
| Intergovernmental payables                              |           | 1   |   | 306                       |           | 159           |                |
| Due to other funds                                      |           | 208   |   | 28                        |           | 339           |                |
| Due to component units                                  |           |   |   |                           |           | 1             | 1              |
| Unearned revenue  |           | 21,371  |   |                           |           |               | 21,371         |
| Obligations under securities lending of State Treasurer |           | 15,386  |   |                           |           |               | 15,386         |
| <b>Total liabilities</b>                                | <b>\$</b> | <b>36,974</b>                                     | <b>\$</b>                               | <b>12,944</b>             | <b>\$</b> | <b>5,425</b>  | <b>\$</b>      |
|   |           |   |   |                           |           |               | <b>55,343</b>  |
| <b>FUND BALANCES</b>                                    |           |   |   |                           |           |               |                |
| Restricted  |           |   |   | 55,326                    |           |               | 55,326         |
| Committed   |           |   |   |                           |           |               | 121,000        |
| <b>Total fund balances</b>                              | <b>\$</b> | <b>55,326</b>                                     | <b>\$</b>                               | <b>87,592</b>             | <b>\$</b> | <b>33,408</b> | <b>\$</b>      |
|   |           |   |   |                           |           |               | <b>176,326</b> |
| <b>Total liabilities and fund balances</b>              | <b>\$</b> | <b>92,300</b>                                     | <b>\$</b>                               | <b>100,536</b>            | <b>\$</b> | <b>38,833</b> | <b>\$</b>      |
|   |           |   |   |                           |           |               | <b>231,669</b> |

***State of Illinois***

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Nonmajor Special Revenue Funds  
Commerce and Economic Opportunity**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|  | State<br>Business Credit<br>Initiative Fund | Small<br>Business Credit<br>Assistance Fund | Supplemental<br>Low Income<br>Energy<br>Tourism | Total             |
|--|---|---|---|-------------------|
| <b>REVENUES</b>  |   |   |   |                   |
| Public utility taxes   |   | \$ 102,789                                  |   | \$ 102,789        |
| Other taxes  |   |   | \$ 53,419                                       | 53,419            |
| Federal government   | \$ 10,055                                   |   |   | 10,055            |
| Interest and other investment income                                 | 7,853                                       |   |   | 7,853             |
| <b>Total revenues</b>  | <b>17,908</b>                               | <b>102,789</b>                              | <b>53,419</b>                                   | <b>174,116</b>    |
| <b>EXPENDITURES</b>  |   |   |   |                   |
| Current:   |   |   |   |                   |
| Health and social services   |   | 107,146                                     |   | 107,146           |
| Employment and economic development                                  | 7,012                                       |   | 49,387  | 56,399            |
| <b>Total expenditures</b>  | <b>7,012</b>                                | <b>107,146</b>                              | <b>49,387</b>                                   | <b>163,545</b>    |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>10,896</b>                               | <b>(4,357)</b>                              | <b>4,032</b>                                    | <b>10,571</b>     |
| <b>OTHER SOURCES (USES) OF<br/>FINANCIAL RESOURCES</b>               |   |   |   |                   |
| Transfers-out  | (209)                                       |   | (1,500)   | (1,709)           |
| <b>Net other sources (uses) of<br/>financial resources</b>           | <b>(209)</b>                                |   | <b>(1,500)</b>                                  | <b>(1,709)</b>    |
| <b>Net change in fund balances</b>                                   | <b>10,687</b>                               | <b>(4,357)</b>                              | <b>2,532</b>                                    | <b>8,862</b>      |
| Fund balances, July 1, 2014  | 44,639                                      | 91,949                                      | 30,876  | 167,464           |
| <b>FUND BALANCES, JUNE 30, 2015</b>                                  | <b>\$ 55,326</b>                            | <b>\$ 87,592</b>                            | <b>\$ 33,408</b>                                | <b>\$ 176,326</b> |

***State of Illinois*****Combining Balance Sheet - Nonmajor Special Revenue Funds****Natural Resources**

June 30, 2015 (Expressed in Thousands)

|   | Abandoned<br>Mined Land | Reclamation<br>Set-Aside Fund | Open Space<br>Lands<br>Acquisition and<br>Development<br>Fund | Total |
|---|-------------------------|-------------------------------|---|-------|
| <b>ASSETS</b>   |                         |                               |   |       |
| Cash equity with State Treasurer                        | \$ 35,006               | \$ 36,709                     | \$ 71,715   |       |
| Securities lending collateral of State Treasurer        | 15,708                  |                               | 15,708  |       |
| Other receivables, net                                  | 15                      |                               | 15  |       |
| Due from other funds                                    |                         | 40,003                        | 40,003  |       |
| <b>Total assets</b>                                     | <b>\$ 50,729</b>        | <b>\$ 76,712</b>              | <b>\$ 127,441</b>   |       |
| <b>LIABILITIES</b>                                      |                         |                               |   |       |
| Accounts payable and accrued liabilities                |                         | \$ 30                         | \$ 30   |       |
| Intergovernmental payables                              |                         | 22,146                        | 22,146  |       |
| Due to other funds                                      |                         | 13                            | 13  |       |
| Obligations under securities lending of State Treasurer | \$ 15,708               |                               | 15,708  |       |
| <b>Total liabilities</b>                                | <b>\$ 15,708</b>        | <b>22,189</b>                 | <b>37,897</b>   |       |
| <b>FUND BALANCES</b>                                    |                         |                               |   |       |
| Restricted  | 35,021                  |                               | 35,021  |       |
| Committed   |                         | 54,523                        | 54,523  |       |
| <b>Total fund balances</b>                              | <b>35,021</b>           | <b>54,523</b>                 | <b>89,544</b>   |       |
| <b>Total liabilities and fund balances</b>              | <b>\$ 50,729</b>        | <b>\$ 76,712</b>              | <b>\$ 127,441</b>   |       |

***State of Illinois***

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Nonmajor Special Revenue Funds**  
**Natural Resources**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|  | Abandoned<br>Mined Land<br>Reclamation<br>Set-Aside Fund | Open Space<br>Lands<br>Acquisition and<br>Development<br>Fund | Total            |
|--|--|---|------------------|
| <b>REVENUES</b>  |  |   |                  |
| Other taxes  |  | \$ 22,613   | \$ 22,613        |
| Federal government   | \$ 9,900   |   | \$ 9,900         |
| Interest and other investment income                                 | 156  |   | 156              |
| <b>Total revenues</b>  | <b>10,056</b>  | <b>22,613</b>   | <b>32,669</b>    |
| <b>EXPENDITURES</b>  |  |   |                  |
| Current:   |  |   |                  |
| Environment and business regulation                                  |  | 18,781  | 18,781           |
| <b>Total expenditures</b>  |  | <b>18,781</b>   | <b>18,781</b>    |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>10,056</b>  | <b>3,832</b>  | <b>13,888</b>    |
| <b>Net change in fund balances</b>                                   | <b>10,056</b>  | <b>3,832</b>  | <b>13,888</b>    |
| Fund balances, July 1, 2014  | 24,965   | 50,691  | 75,656           |
| <b>FUND BALANCES, JUNE 30, 2015</b>                                  | <b>\$ 35,021</b>   | <b>\$ 54,523</b>  | <b>\$ 89,544</b> |

**State of Illinois**

**Combining Balance Sheet - Nonmajor Special Revenue Funds**

**Human Services**

June 30, 2015 (Expressed in Thousands)

|  | Employment and<br>Training Fund | DHS Special<br>Purposes<br>Trust Fund | Commitment to<br>Human<br>Services Fund | DHS<br>Recoveries<br>Trust Fund | Food Stamp<br>and Commodity<br>Fund | Total             |
|--|---------------------------------|---------------------------------------|---|---------------------------------|-------------------------------------|-------------------|
| <b>ASSETS</b>  |                                 |                                       |   |                                 |                                     |                   |
| Cash equity with State Treasurer   | \$ 2,325                        | \$ 63,612                             | \$ 44,594                               | \$ 13,142                       | \$                                  | 123,673           |
| Receivables, net:  |                                 |                                       |   |                                 |                                     |                   |
| Taxes  |                                 |                                       |   | 51,915                          |                                     | 51,915            |
| Intergovernmental  | 47,217                          | 14,826                                |   |                                 |                                     | 62,043            |
| Other  |                                 | 3                                     |   |                                 |                                     | 144,860           |
| Due from other funds   |                                 | 1,770                                 | 60,000                                  |                                 |                                     | 61,770            |
| <b>Total assets</b>  | <b>\$ 49,542</b>                | <b>\$ 80,211</b>                      | <b>\$ 156,509</b>                       | <b>\$ 157,999</b>               | <b>\$ -</b>                         | <b>\$ 444,261</b> |
| <b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>                                     |                                 |                                       |   |                                 |                                     |                   |
| Accounts payable and accrued liabilities   | \$ 43,777                       | \$ 16,573                             | \$ 69,639                               | \$ 433                          | \$                                  | 130,422           |
| Intergovernmental payables   | 4,724                           | 707                                   | 437                                     | 886                             |                                     | 6,754             |
| Due to other funds   | 930                             | 1,903                                 |   | 8,980                           |                                     | 11,813            |
| Due to component units   |                                 | 111                                   | 2,071                                   |                                 |                                     | 2,182             |
| Unearned revenue   |                                 |                                       | 69                                      |                                 |                                     | 69                |
| <b>Total liabilities</b>   | <b>49,542</b>                   | <b>21,323</b>                         | <b>70,076</b>                           | <b>10,299</b>                   |                                     | <b>151,240</b>    |
| Deferred inflows of resources - unavailable revenue                                      | 2,025                           |                                       | 8,662                                   | 143,388                         |                                     | 154,075           |
| <b>Total liabilities and deferred inflows of resources</b>                               | <b>51,567</b>                   | <b>21,323</b>                         | <b>78,738</b>                           | <b>153,687</b>                  |                                     | <b>305,315</b>    |
| <b>FUND BALANCES (DEFICITS)</b>  |                                 |                                       |   |                                 |                                     |                   |
| Restricted   |                                 | 58,888                                |   | 4,312                           |                                     | 63,200            |
| Committed  |                                 |                                       | 77,771                                  |                                 |                                     | 77,771            |
| Unassigned   | (2,025)                         |                                       |   |                                 |                                     | (2,025)           |
| <b>Total fund balances (deficits)</b>  | <b>(2,025)</b>                  | <b>58,888</b>                         | <b>77,771</b>                           | <b>4,312</b>                    |                                     | <b>138,946</b>    |
| <b>Total liabilities, deferred inflows<br/>of resources and fund balances (deficits)</b> | <b>\$ 49,542</b>                | <b>\$ 80,211</b>                      | <b>\$ 156,509</b>                       | <b>\$ 157,999</b>               | <b>\$ -</b>                         | <b>\$ 444,261</b> |

***State of Illinois***

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Nonmajor Special Revenue Funds**  
**Human Services**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|  | Employment and<br>Training Fund | DHS Special<br>Purposes<br>Trust Fund | Commitment<br>to Human<br>Services Fund | DHS<br>Recoveries<br>Trust Fund | Food Stamp<br>and Commodity<br>Fund | Total             |
|--|---------------------------------|---------------------------------------|---|---------------------------------|-------------------------------------|-------------------|
| <b>REVENUES</b>  |                                 |                                       |   |                                 |                                     |                   |
| Income taxes   |                                 |                                       | \$ 285,935                              |                                 | \$ 285,935                          |                   |
| Federal government   | \$ 519,632                      | \$ 260,499                            |   | \$ 80                           | \$ 3,314,726                        | \$ 4,094,937      |
| Other  |                                 | 606                                   |   | 12,246                          |                                     | 12,852            |
| <b>Total revenues</b>  | <b>519,632</b>                  | <b>261,105</b>                        | <b>285,935</b>                          | <b>12,326</b>                   | <b>3,314,726</b>                    | <b>4,393,724</b>  |
| <b>EXPENDITURES</b>  |                                 |                                       |   |                                 |                                     |                   |
| Current:   |                                 |                                       |   |                                 |                                     |                   |
| Health and social services   | 521,657                         | 256,105                               | 183,164                                 | 10,016                          | 3,314,726                           | 4,285,668         |
| Debt service:  |                                 |                                       |   |                                 |                                     |                   |
| Principal  |                                 | 2                                     |   |                                 |                                     | 2                 |
| <b>Total expenditures</b>  | <b>521,657</b>                  | <b>256,107</b>                        | <b>183,164</b>                          | <b>10,016</b>                   | <b>3,314,726</b>                    | <b>4,285,670</b>  |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(2,025)</b>                  | <b>4,998</b>                          | <b>102,771</b>                          | <b>2,310</b>                    | <b>-</b>                            | <b>108,054</b>    |
| <b>OTHER SOURCES (USES) OF<br/>FINANCIAL RESOURCES</b>               |                                 |                                       |   |                                 |                                     |                   |
| Transfers-out  |                                 |                                       | (25,000)                                | (1,175)                         |                                     | (26,175)          |
| <b>Net other sources (uses) of<br/>financial resources</b>           |                                 |                                       | <b>(25,000)</b>                         | <b>(1,175)</b>                  |                                     | <b>(26,175)</b>   |
| <b>Net change in fund balances</b>                                   | <b>(2,025)</b>                  | <b>4,998</b>                          | <b>77,771</b>                           | <b>1,135</b>                    | <b>-</b>                            | <b>81,879</b>     |
| Fund balances, July 1, 2014  |                                 | 53,890                                |   | 3,177                           |                                     | 57,067            |
| <b>FUND BALANCES (DEFICITS), JUNE 30, 2015</b>                       | <b>\$ (2,025)</b>               | <b>\$ 58,888</b>                      | <b>\$ 77,771</b>                        | <b>\$ 4,312</b>                 | <b>\$ -</b>                         | <b>\$ 138,946</b> |

***State of Illinois*****Combining Balance Sheet - Nonmajor Special Revenue Funds****Public Health**

June 30, 2015 (Expressed in Thousands)

|   | Public Health<br>Services Fund | Public Health<br>Special State<br>Projects Fund | Total            |
|---|--------------------------------|---|------------------|
| <b>ASSETS</b>   |                                |   |                  |
| Cash equity with State Treasurer  | \$ 9,649                       | \$ 32,484                                       | \$ 42,133        |
| Intergovernmental receivables, net  | 26,679                         | 2,860   | 29,539           |
| Due from other funds  | 1,859                          | 5,176   | 7,035            |
| Due from component units  | 4                              |   | 4                |
| Inventories   | 436                            |   | 436              |
| <b>Total assets</b>   | <b>\$ 38,627</b>               | <b>\$ 40,520</b>                                | <b>\$ 79,147</b> |
| <b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>                          |                                |   |                  |
| Accounts payable and accrued liabilities                                      | \$ 20,028                      | \$ 676  | \$ 20,704        |
| Intergovernmental payables  | 3,663                          | 1   | 3,664            |
| Due to other funds  | 1,011                          | 529   | 1,540            |
| Due to component units  | 460                            | 304   | 764              |
| Unearned revenue  | 7,216                          | 34  | 7,250            |
| <b>Total liabilities</b>  | <b>32,378</b>                  | <b>1,544</b>                                    | <b>33,922</b>    |
| Deferred inflows of resources - unavailable revenue                           | 4,586                          |   | 4,586            |
| <b>Total liabilities and deferred inflows of resources</b>                    | <b>36,964</b>                  | <b>1,544</b>                                    | <b>38,508</b>    |
| <b>FUND BALANCES</b>  |                                |   |                  |
| Nonspendable inventories  | 436                            |   | 436              |
| Committed   |                                | 39,374  | 39,374           |
| Assigned  | 1,227                          |   | 1,227            |
| Unassigned  |                                | (398)   | (398)            |
| <b>Total fund balances</b>  | <b>1,663</b>                   | <b>38,976</b>                                   | <b>40,639</b>    |
| <b>Total liabilities, deferred inflows<br/>of resources and fund balances</b> | <b>\$ 38,627</b>               | <b>\$ 40,520</b>                                | <b>\$ 79,147</b> |

***State of Illinois***

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Nonmajor Special Revenue Funds**

**Public Health**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|  | Public Health<br>Services Fund | Special State<br>Projects Fund | Total            |
|--|--------------------------------|--------------------------------|------------------|
| <b>REVENUES</b>  |                                |                                |                  |
| Federal government   | \$ 254,285                     | \$ 5,840                       | \$ 260,125       |
| Other  | 5,174                          | 1,222                          | 6,396            |
| <b>Total revenues</b>  | <b>259,459</b>                 | <b>7,062</b>                   | <b>266,521</b>   |
| <b>EXPENDITURES</b>  |                                |                                |                  |
| Current:   |                                |                                |                  |
| Health and social services   | 259,100                        | 259,100                        | 259,100          |
| Debt service:  |                                |                                |                  |
| Principal  | 5                              | 5                              | 5                |
| Interest   | 1                              | 1                              | 1                |
| Capital outlays  | 134                            | 134                            | 134              |
| <b>Total expenditures</b>  | <b>259,240</b>                 | <b>259,240</b>                 | <b>259,240</b>   |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>219</b>                     | <b>7,062</b>                   | <b>7,281</b>     |
| <b>OTHER SOURCES (USES) OF<br/>FINANCIAL RESOURCES</b>               |                                |                                |                  |
| Transfers-out  |                                | (5,000)                        | (5,000)          |
| <b>Net other sources (uses) of<br/>financial resources</b>           |                                | <b>(5,000)</b>                 | <b>(5,000)</b>   |
| <b>Net change in fund balances</b>                                   | <b>219</b>                     | <b>2,062</b>                   | <b>2,281</b>     |
| Fund balances, July 1, 2014  | 1,379                          | 36,914                         | 38,293           |
| Increase for changes in inventories                                  | 65                             | 65                             | 65               |
| <b>FUND BALANCES, JUNE 30, 2015</b>                                  | <b>\$ 1,663</b>                | <b>\$ 38,976</b>               | <b>\$ 40,639</b> |

**State of Illinois**

**Combining Balance Sheet - Nonmajor Special Revenue Funds**

**Revenue**

June 30, 2015 (Expressed in Thousands)

|  | Rental Housing<br>Support Program<br>Fund | State and Local<br>Sales Tax<br>Reform Fund | County and Mass<br>Transit District<br>Fund | Local<br>Government Tax<br>Fund | Illinois<br>Affordable<br>Housing Trust<br>Fund |
|--|---|---|---|---------------------------------|---|
| <b>ASSETS</b>  |   |   |   |                                 |   |
| Cash equity with State Treasurer   | \$ 41,892                                 | \$ 29,663                                   | \$ 30,105                                   | \$ 152,431                      | \$ 7,450  |
| Securities lending collateral of State Treasurer   |   |   |   |                                 | 2,343   |
| Receivables, net:  |   |   |   |                                 |   |
| Taxes  |   | 23,599                                      | 22,367                                      | 72,142                          |   |
| Other  |   |   |   |                                 | 2   |
| Due from other funds   |   |   |   | 3,300                           |   |
| Due from component units   |   |   |   |                                 | 348,224   |
| Loans and notes receivable, net  |   |   |   |                                 |   |
| <b>Total assets</b>  | <b>\$ 41,892</b>                          | <b>\$ 53,262</b>                            | <b>\$ 52,472</b>                            | <b>\$ 227,873</b>               | <b>\$ 358,019</b>                               |
| <b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>                                     |   |   |   |                                 |   |
| Accounts payable and accrued liabilities   | \$ 20                                     | \$ 19,639                                   | \$ 57,923                                   | \$ 399,873                      | \$ 45   |
| Intergovernmental payables   |   | 73,623                                      | 34,549                                      |                                 |   |
| Due to other funds   |   |   |   |                                 |   |
| Due to component units   | 90  |   |   |                                 | 2,081   |
| Unearned revenue   |   |   |   |                                 |   |
| Obligations under securities lending of State Treasurer                                  |   |   |   |                                 | 2,343   |
| <b>Total liabilities</b>   | <b>110</b>                                | <b>93,262</b>                               | <b>92,472</b>                               | <b>399,873</b>                  | <b>4,469</b>                                    |
| Deferred inflows of resources - unavailable revenue                                      | 453                                       | 624   | 1,846                                       |                                 |   |
| <b>Total liabilities and deferred inflows of resources</b>                               | <b>110</b>                                | <b>93,715</b>                               | <b>93,096</b>                               | <b>401,719</b>                  | <b>4,469</b>                                    |
| <b>FUND BALANCES (DEFICITS)</b>  |   |   |   |                                 |   |
| Restricted   | 41,782                                    |   |   |                                 |   |
| Committed  |   |   |   |                                 | 353,550   |
| Unassigned   |   | (40,453)                                    | (40,624)                                    | (173,846)                       |   |
| <b>Total fund balances (deficits)</b>  | <b>41,782</b>                             | <b>(40,453)</b>                             | <b>(40,624)</b>                             | <b>(173,846)</b>                | <b>353,550</b>                                  |
| <b>Total liabilities, deferred inflows<br/>of resources and fund balances (deficits)</b> | <b>\$ 41,892</b>                          | <b>\$ 53,262</b>                            | <b>\$ 52,472</b>                            | <b>\$ 227,873</b>               | <b>\$ 358,019</b>                               |

| Local<br>Government<br>Distributive Fund | Personal<br>Property Tax<br>Replacement<br>Fund | Senior Citizens'<br>Real Estate<br>Deferred Tax<br>Revolving Fund | Build Illinois<br>Fund | Total        |
|--|---|---|------------------------|--------------|
| \$ 23                                    | \$ 264,052                                      | \$ 4,281  | \$ 12,575              | \$ 542,472   |
|  | 52,329  |   | 10,458                 | 65,130       |
|  | 71,250  |   | 41,823                 | 231,181      |
|  | 51  | 13,656  | 10                     | 13,719       |
| 517,186                                  |   |   | 9,450                  | 529,936      |
|  |   |   |                        | 348,224      |
|  |   | 42,550  |                        | 42,550       |
| \$ 517,209                               | \$ 387,682                                      | \$ 60,487   | \$ 74,316              | \$ 1,773,212 |
|  |   |   |                        |              |
| \$ 517,209                               | \$ 42,193                                       | \$ 20,777   | \$ 63,035              |              |
|  | 238,242   |   | 1,232,886              |              |
|  | 6,463   |   | 114,635                |              |
|  | 196,611   |   | 2,171                  |              |
|  | 52,329  |   |                        | 196,611      |
| 517,209                                  | 535,838   | 10,458  | 65,130                 |              |
|  |   | 31,235  | 1,674,468              |              |
|  | 15,124  | \$ 13,656   | 1,025                  | 32,728       |
| 517,209                                  | 550,962   | 13,656  | 32,260                 | 1,707,196    |
|  |   |   |                        |              |
|  | 46,831  | 42,056  | 41,782                 |              |
| (163,280)                                |   |   | 442,437                |              |
| (163,280)                                | 46,831  | 42,056  | (418,203)              |              |
|  |   |   | 66,016                 |              |
| \$ 517,209                               | \$ 387,682                                      | \$ 60,487   | \$ 74,316              | \$ 1,773,212 |

**State of Illinois**

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Nonmajor Special Revenue Funds**

**Revenue**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|  | Rental Housing Support Program Fund | State and Local Sales Tax Reform Fund | County and Mass Transit District Fund | Local Government Tax Fund | Illinois Affordable Housing Trust Fund |
|--|-------------------------------------|---------------------------------------|---------------------------------------|---------------------------|--|
| <b>REVENUES</b>  |                                     |                                       |                                       |                           |  |
| Income taxes   |                                     | \$ 112,969                            | \$ 361,202                            | \$ 1,768,465              |  |
| Sales taxes  |                                     |                                       |                                       |                           | \$ 32,290                              |
| Public utility taxes   |                                     |                                       |                                       |                           | 13                                     |
| Other taxes  | \$ 18,070                           |                                       |                                       |                           |  |
| Licenses and fees  |                                     |                                       |                                       |                           | 1,860                                  |
| Interest and other investment income                             |                                     |                                       |                                       |                           | 7,283                                  |
| Other  |                                     |                                       |                                       |                           |  |
| <b>Total revenues</b>  | <b>18,070</b>                       | <b>112,969</b>                        | <b>361,202</b>                        | <b>1,768,465</b>          | <b>41,446</b>                          |
| <b>EXPENDITURES</b>  |                                     |                                       |                                       |                           |  |
| Current:   |                                     |                                       |                                       |                           |  |
| Health and social services                                       |                                     |                                       |                                       |                           | 13,032                                 |
| General government   | 448                                 |                                       |                                       |                           | 46,100                                 |
| Intergovernmental  |                                     | 74,765                                | 361,826                               | 1,776,911                 |  |
| <b>Total expenditures</b>  | <b>448</b>                          | <b>74,765</b>                         | <b>361,826</b>                        | <b>1,776,911</b>          | <b>59,132</b>                          |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <b>17,622</b>                       | <b>38,204</b>                         | <b>(624)</b>                          | <b>(8,446)</b>            | <b>(17,686)</b>                        |
| <b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>               |                                     |                                       |                                       |                           |  |
| Transfers-in   |                                     |                                       |                                       | 6,600                     |  |
| Transfers-out  |                                     | (78,657)                              | (40,000)                              | (172,000)                 | (6,000)                                |
| <b>Net other sources (uses) of financial resources</b>           | <b></b>                             | <b>(78,657)</b>                       | <b>(40,000)</b>                       | <b>(165,400)</b>          | <b>(6,000)</b>                         |
| <b>Net change in fund balances</b>                               | <b>17,622</b>                       | <b>(40,453)</b>                       | <b>(40,624)</b>                       | <b>(173,846)</b>          | <b>(23,686)</b>                        |
| Fund balances (deficits), July 1, 2014                           | 24,160                              |                                       |                                       |                           | 377,236                                |
| <b>FUND BALANCES (DEFICITS), JUNE 30, 2015</b>                   | <b>\$ 41,782</b>                    | <b>\$ (40,453)</b>                    | <b>\$ (40,624)</b>                    | <b>\$ (173,846)</b>       | <b>\$ 353,550</b>                      |

| Local<br>Government<br>Distributive Fund | Personal<br>Property Tax<br>Replacement<br>Fund | Senior Citizens'<br>Real Estate<br>Deferred Tax<br>Revolving Fund | Build Illinois<br>Fund | Total     |
|--|---|---|------------------------|-----------|
| \$ 1,331,541                             | \$ 1,348,019                                    |   | \$ 2,679,560           |           |
| 214,065                                  |   |   | 2,926,524              |           |
|  | 208,846   |   | 208,846                |           |
|  |   | 134,339   | 184,699                |           |
|  |   |   | 13                     |           |
| 395                                      | \$ 1,462  |   | 90                     | 3,807     |
|  |   |   |                        | 7,283     |
| 1,545,606                                | 1,557,260                                       | 1,462   | 604,252                | 6,010,732 |
| <hr/>                                    |   |   |                        |           |
|  |   |   |                        | 13,032    |
|  | 65,950  | 98  |                        | 112,596   |
| 1,540,606                                | 1,492,463                                       |   | 5,246,571              |           |
| 1,540,606                                | 1,558,413                                       | 98  | 5,372,199              |           |
| <hr/>                                    |   |   |                        |           |
| 5,000                                    | (1,153)   | 1,364   | 604,252                | 638,533   |
|  |   |   |                        |           |
|  | 47,382  |   | 39,466                 | 93,448    |
| (5,000)                                  |   |   | (643,983)              | (945,640) |
| (5,000)                                  | 47,382  |   | (604,517)              | (852,192) |
| -  | 46,229  | 1,364   | (265)                  | (213,659) |
|  |   |   |                        |           |
|  | (209,509)                                       | 45,467  | 42,321                 | 279,675   |
|  |   |   |                        |           |
| \$ - \$ (163,280)                        | \$ 46,831                                       | \$ 42,056   | \$ 66,016              |           |

***State of Illinois*****Combining Balance Sheet - Nonmajor Special Revenue Funds****Transportation**

June 30, 2015 (Expressed in Thousands)

|  | <b>Federal Motor Fuel Tax Fund</b> | <b>High Speed Rail Trust Fund</b> | <b>Downstate Public Transportation Fund</b> | <b>Total</b>      |
|--|------------------------------------|-----------------------------------|---|-------------------|
| <b>ASSETS</b>  |                                    |                                   |   |                   |
| Cash equity with State Treasurer   | \$ 92,335                          | \$ 3,998                          | \$ 3,624                                    | \$ 99,957         |
| Receivables, net:  |                                    |                                   |   |                   |
| Taxes  | 123,664                            |                                   |   | 123,664           |
| Intergovernmental  |                                    | 74,985                            |   | 74,985            |
| Due from other funds   |                                    |                                   | 173,601                                     | 173,601           |
| <b>Total assets</b>  | <b>\$ 215,999</b>                  | <b>\$ 78,983</b>                  | <b>\$ 177,225</b>                           | <b>\$ 472,207</b> |
| <b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>                                 |                                    |                                   |   |                   |
| Accounts payable and accrued liabilities   | \$ 8,791                           | \$ 56,224                         | \$ 4,998                                    | \$ 65,015         |
| Intergovernmental payables   | 107,199                            |                                   | 4,998                                       | 112,197           |
| Due to other funds   | 99,169                             |                                   |   | 99,169            |
| <b>Total liabilities</b>   | <b>215,159</b>                     | <b>56,224</b>                     | <b>4,998</b>                                | <b>276,381</b>    |
| Deferred inflows of resources - unavailable revenue                                  | 840                                | 57,175                            |   | 58,015            |
| <b>Total liabilities and deferred inflows of resources</b>                           | <b>215,999</b>                     | <b>113,399</b>                    | <b>4,998</b>                                | <b>334,396</b>    |
| <b>FUND BALANCES (DEFICITS)</b>  |                                    |                                   |   |                   |
| Committed  |                                    |                                   | 172,227                                     | 172,227           |
| Unassigned   |                                    | (34,416)                          |   | (34,416)          |
| <b>Total fund balances (deficits)</b>  | <b>\$ 215,999</b>                  | <b>\$ 78,983</b>                  | <b>\$ 177,225</b>                           | <b>\$ 472,207</b> |
| <b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b> | <b>\$ 215,999</b>                  | <b>\$ 78,983</b>                  | <b>\$ 177,225</b>                           | <b>\$ 472,207</b> |

***State of Illinois*****Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Nonmajor Special Revenue Funds****Transportation**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|  | Motor Fuel Tax<br>Fund | Federal High<br>Speed Rail Trust<br>Fund | Downstate Public<br>Transportation<br>Fund | Total             |
|--|------------------------|--|--|-------------------|
| <b>REVENUES</b>  |                        |  |  |                   |
| Sales taxes  |                        |  | \$ 210,401                                 | \$ 210,401        |
| Motor fuel taxes   | \$ 736,236             |  |  | 736,236           |
| Federal government   | 64                     | \$ 229,559                               |  | 229,623           |
| Licenses and fees  | 931                    |  |  | 931               |
| Other  |                        |  | 15   | 15                |
| <b>Total revenues</b>  | <b>737,231</b>         | <b>229,559</b>                           | <b>210,416</b>                             | <b>1,177,206</b>  |
| <b>EXPENDITURES</b>  |                        |  |  |                   |
| Current:   |                        |  |  |                   |
| General government   | 48,101                 |  |  | 48,101            |
| Transportation   | 20,607                 | 217,851                                  | 186,302                                    | 424,760           |
| Capital outlays  | 1,249                  | 25,695                                   |  | 26,944            |
| Intergovernmental  | 534,404                |  |  | 534,404           |
| <b>Total expenditures</b>  | <b>604,361</b>         | <b>243,546</b>                           | <b>186,302</b>                             | <b>1,034,209</b>  |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>132,870</b>         | <b>(13,987)</b>                          | <b>24,114</b>                              | <b>142,997</b>    |
| <b>OTHER SOURCES (USES) OF<br/>FINANCIAL RESOURCES</b>               |                        |  |  |                   |
| Transfers-out  | (132,870)              | (48,000)                                 | (70,000)                                   | (250,870)         |
| <b>Net other sources (uses) of<br/>financial resources</b>           | <b>(132,870)</b>       | <b>(48,000)</b>                          | <b>(70,000)</b>                            | <b>(250,870)</b>  |
| <b>Net change in fund balances</b>                                   | <b>-</b>               | <b>(61,987)</b>                          | <b>(45,886)</b>                            | <b>(107,873)</b>  |
| Fund balances, July 1, 2014  |                        | 27,571                                   | 218,113                                    | 245,684           |
| <b>FUND BALANCES (DEFICITS), JUNE 30, 2015</b>                       | <b>\$ -</b>            | <b>\$ (34,416)</b>                       | <b>\$ 172,227</b>                          | <b>\$ 137,811</b> |

**State of Illinois**

**Combining Balance Sheet - Nonmajor Special Revenue Funds**

**Other Departments**

June 30, 2015 (Expressed in Thousands)

|  | Children and Family Services  | Employment Security                                   | Illinois Power Agency                  | Illinois Power Insurance            |                   |
|--|-------------------------------|---|--|-------------------------------------|-------------------|
|  | DCFS Childrens' Services Fund | Title III Social Security and Employment Service Fund | Agency Renewable Energy Resources Fund | Insurance Financial Regulation Fund | Total             |
|  |                               |   |  |                                     |                   |
| <b>ASSETS</b>  |                               |   |  |                                     |                   |
| Cash equity with State Treasurer   | \$ 29,035                     | \$ 33,548   | \$ 30,857                              | \$ 14,199                           | \$ 107,639        |
| Cash and cash equivalents  | 393                           | 1   |  |                                     | 394               |
| Receivables, net:  |                               |   |  |                                     |                   |
| Intergovernmental  | 153,544                       | 20,690  |  |                                     | 174,234           |
| Other  |                               | 1   | 86,440                                 | 18,253                              | 104,694           |
| Due from other funds   | 349                           | 1,382   |  |                                     | 1,731             |
| Inventories  |                               | 306   |  |                                     | 306               |
| <b>Total assets</b>  | <b>\$ 183,321</b>             | <b>\$ 55,928</b>                                      | <b>\$ 117,297</b>                      | <b>\$ 32,452</b>                    | <b>\$ 388,998</b> |
| <b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>                                 |                               |   |  |                                     |                   |
| Accounts payable and accrued liabilities   | \$ 62,331                     | \$ 5,675  | \$ 1,014                               | \$ 856                              | \$ 69,876         |
| Intergovernmental payables   | 561                           | 3,259   |  | 30                                  | 3,850             |
| Due to other funds   | 845                           | 9,306   | 97                                     | 383                                 | 10,631            |
| Due to component units   | 5,931                         |   |  |                                     | 5,931             |
| <b>Total liabilities</b>   | <b>69,668</b>                 | <b>18,240</b>   | <b>1,111</b>                           | <b>1,269</b>                        | <b>90,288</b>     |
| Deferred inflows of resources - unavailable revenue                                  | 132,878                       | 3,003   | 17,704                                 | 359                                 | 153,944           |
| <b>Total liabilities and deferred inflows of resources</b>                           | <b>202,546</b>                | <b>21,243</b>   | <b>18,815</b>                          | <b>1,628</b>                        | <b>244,232</b>    |
| <b>FUND BALANCES (DEFICITS)</b>  |                               |   |  |                                     |                   |
| Nonspendable inventories   |                               | 306   |  |                                     | 306               |
| Restricted   |                               | 34,379  |  |                                     | 34,379            |
| Committed  |                               |   | 98,482                                 | 30,824                              | 129,306           |
| Unassigned   | (19,225)                      |   |  |                                     | (19,225)          |
| <b>Total fund balances (deficits)</b>  | <b>(19,225)</b>               | <b>34,685</b>   | <b>98,482</b>                          | <b>30,824</b>                       | <b>144,766</b>    |
| <b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b> | <b>\$ 183,321</b>             | <b>\$ 55,928</b>                                      | <b>\$ 117,297</b>                      | <b>\$ 32,452</b>                    | <b>\$ 388,998</b> |

**State of Illinois**

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Nonmajor Special Revenue Funds**

**Other Departments**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|  | Children and Family Services  | Employment Security                                   | Illinois Power Agency                  | Illinois Power Insurance            |                   |
|--|-------------------------------|---|--|-------------------------------------|-------------------|
|  | DCFS Childrens' Services Fund | Title III Social Security and Employment Service Fund | Agency Renewable Energy Resources Fund | Insurance Financial Regulation Fund | Total             |
|  |                               |   |  |                                     |                   |
| <b>REVENUES</b>  |                               |   |  |                                     |                   |
| Federal government   | \$ 396,224                    | \$ 192,474  |  |                                     | \$ 588,698        |
| Licenses and fees  |                               | 51  |  | \$ 23,941                           | 23,992            |
| Interest and other investment income                             |                               | 5   |  | 33                                  | 38                |
| Other  | 4,944                         | 702   | \$ 76,064                              | 56                                  | 81,766            |
| <b>Total revenues</b>  | <b>401,168</b>                | <b>193,232</b>  | <b>76,064</b>                          | <b>24,030</b>                       | <b>694,494</b>    |
| <b>EXPENDITURES</b>  |                               |   |  |                                     |                   |
| Current:   |                               |   |  |                                     |                   |
| Health and social services                                       | 439,497                       |   |  |                                     | 439,497           |
| Employment and economic development                              |                               | 195,857   | 815                                    |                                     | 196,672           |
| Environment and business regulation                              |                               |   |  | 18,877                              | 18,877            |
| Debt service:  |                               |   |  |                                     |                   |
| Principal  |                               | 30  |  |                                     | 30                |
| Interest   |                               | 6   |  |                                     | 6                 |
| Capital outlays  | 201                           | 452   |  | 33                                  | 686               |
| <b>Total expenditures</b>  | <b>439,698</b>                | <b>196,345</b>  | <b>815</b>                             | <b>18,910</b>                       | <b>655,768</b>    |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <b>(38,530)</b>               | <b>(3,113)</b>  | <b>75,249</b>                          | <b>5,120</b>                        | <b>38,726</b>     |
| <b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>               |                               |   |  |                                     |                   |
| Transfers-in   |                               | 24,372  |  |                                     | 24,372            |
| Transfers-out  |                               |   | (98,000)                               | (23,598)                            | (121,598)         |
| Capital lease financing  |                               | 160   |  |                                     | 160               |
| <b>Net other sources (uses) of financial resources</b>           | <b>24,532</b>                 | <b>(98,000)</b>                                       | <b>(23,598)</b>                        | <b>(97,066)</b>                     |                   |
| <b>Net change in fund balances</b>                               | <b>(38,530)</b>               | <b>21,419</b>   | <b>(22,751)</b>                        | <b>(18,478)</b>                     | <b>(58,340)</b>   |
| Fund balances, July 1, 2014                                      | 19,305                        | 13,254  | 121,233                                | 49,302                              | 203,094           |
| Increase for changes in inventories                              |                               | 12  |  |                                     | 12                |
| <b>FUND BALANCES (DEFICITS), JUNE 30, 2015</b>                   | <b>\$ (19,225)</b>            | <b>\$ 34,685</b>                                      | <b>\$ 98,482</b>                       | <b>\$ 30,824</b>                    | <b>\$ 144,766</b> |

***State of Illinois*****Combining Balance Sheet - Nonmajor Special Revenue Funds****State Board of Education**

June 30, 2015 (Expressed in Thousands)

|  | SBE Federal<br>Department of<br>Agriculture Fund | SBE Federal<br>Department of<br>Education Fund | Fund for the<br>Advancement of<br>Education | Total             |
|--|--|--|---|-------------------|
| <b>ASSETS</b>  |  |  |   |                   |
| Cash equity with State Treasurer   | \$ 1,148   | \$ 2,190                                       | \$ 1  | \$ 3,339          |
| Receivables, net:  |  |  |   |                   |
| Taxes  |  |  | 51,922                                      | 51,922            |
| Intergovernmental  | 44,028   | 339,851  |   | 383,879           |
| Other  | 556  | 206  |   | 762               |
| Due from other funds   |  | 3  | 17,681                                      | 17,684            |
| Due from component units   | 9  | 131  |   | 140               |
| Inventories  | 1,274  |  |   | 1,274             |
| <b>Total assets</b>  | <b>\$ 47,015</b>                                 | <b>\$ 342,381</b>                              | <b>\$ 69,604</b>                            | <b>\$ 459,000</b> |
| <b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>                                     |  |  |   |                   |
| Accounts payable and accrued liabilities   | \$ 18,911  | \$ 11,481                                      | \$ 30,392                                   |                   |
| Intergovernmental payables   | 25,683   | 319,818  | 345,501                                     |                   |
| Due to other funds   | 409  | 8,971  | 9,380                                       |                   |
| Due to component units   | 88   | 1,605  | 1,693                                       |                   |
| Unearned revenue   | 407  | 590  | 997   |                   |
| <b>Total liabilities</b>   | <b>45,498</b>                                    | <b>342,465</b>                                 | <b>387,963</b>                              |                   |
| Deferred inflows of resources - unavailable revenue                                      | 775  | 85,537   | 8,669                                       | 94,981            |
| <b>Total liabilities and deferred inflows of resources</b>                               | <b>46,273</b>                                    | <b>428,002</b>                                 | <b>8,669</b>                                | <b>482,944</b>    |
| <b>FUND BALANCES (DEFICITS)</b>  |  |  |   |                   |
| Nonspendable inventories   | 1,274  |  | 1,274                                       |                   |
| Restricted   | 243  |  | 243   |                   |
| Committed  |  |  | 60,935                                      | 60,935            |
| Unassigned   | (775)  | (85,621)                                       |   | (86,396)          |
| <b>Total fund balances (deficits)</b>  | <b>742</b>                                       | <b>(85,621)</b>                                | <b>60,935</b>                               | <b>(23,944)</b>   |
| <b>Total liabilities, deferred inflows<br/>of resources and fund balances (deficits)</b> | <b>\$ 47,015</b>                                 | <b>\$ 342,381</b>                              | <b>\$ 69,604</b>                            | <b>\$ 459,000</b> |

***State of Illinois*****Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Nonmajor Special Revenue Funds****State Board of Education**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|  | SBE Federal<br>Department of<br>Agriculture Fund | SBE Federal<br>Department of<br>Education Fund | Fund for the<br>Advancement of<br>Education | Total              |
|--|--|--|---|--------------------|
| <b>REVENUES</b>  |  |  |   |                    |
| Income taxes   |  |  | \$ 285,935                                  | \$ 285,935         |
| Federal government   | \$ 818,151                                       | \$ 1,375,038                                   |   | 2,193,189          |
| Interest and other investment income                                 |  | 1  |   | 1                  |
| Other  | 27   |  |   | 27                 |
| <b>Total revenues</b>  | <b>818,178</b>                                   | <b>1,375,039</b>                               | <b>285,935</b>                              | <b>2,479,152</b>   |
| <b>EXPENDITURES</b>  |  |  |   |                    |
| Current:   |  |  |   |                    |
| Education  | 817,347  | 1,356,865                                      | 200,000                                     | 2,374,212          |
| Capital outlays  | 522  | 3,350  |   | 3,872              |
| <b>Total expenditures</b>  | <b>817,869</b>                                   | <b>1,360,215</b>                               | <b>200,000</b>                              | <b>2,378,084</b>   |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>309</b>                                       | <b>14,824</b>                                  | <b>85,935</b>                               | <b>101,068</b>     |
| <b>OTHER SOURCES (USES) OF<br/>FINANCIAL RESOURCES</b>               |  |  |   |                    |
| Transfers-out  |  |  | (25,000)                                    | (25,000)           |
| <b>Net other sources (uses) of<br/>financial resources</b>           |  |  | <b>(25,000)</b>                             | <b>(25,000)</b>    |
| <b>Net change in fund balances</b>                                   | <b>309</b>                                       | <b>14,824</b>                                  | <b>60,935</b>                               | <b>76,068</b>      |
| Fund balances (deficits), July 1, 2014                               | 1,863  | (100,445)                                      |   | (98,582)           |
| (Decrease) for changes in inventories                                | (1,430)  |  |   | (1,430)            |
| <b>FUND BALANCES (DEFICITS), JUNE 30, 2015</b>                       | <b>\$ 742</b>                                    | <b>\$ (85,621)</b>                             | <b>\$ 60,935</b>                            | <b>\$ (23,944)</b> |

**State of Illinois**

**Combining Balance Sheet - Nonmajor Special Revenue Funds**

**Other Agencies, Boards and Authorities**

June 30, 2015 (Expressed in Thousands)

|   | Railsplitter<br>Tobacco<br>Settlement<br>Authority | Workers'<br>Compensation<br>Commission                           | Illinois Gaming<br>Board |                     |
|---|--|--|--------------------------|---------------------|
|   | Railsplitter<br>Trustee Account<br>Fund            | Settlement Fund -<br>Illinois Chamber<br>of Commerce v.<br>Filan | State Gaming<br>Fund     | Total               |
| <b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>                              |  |  |                          |                     |
| Cash equity with State Treasurer  |  | \$ 27,180  | \$ 44,995                | \$ 72,175           |
| Cash and cash equivalents   | \$ 186,351   |  |                          | 186,351             |
| Receivables, net:   |  |  |                          |                     |
| Taxes   |  |  | 1,648                    | 1,648               |
| Other   | 132,509  |  | 168                      | 132,677             |
| <b>Total assets</b>   | <b>318,860</b>                                     | <b>27,180</b>  | <b>46,811</b>            | <b>392,851</b>      |
| Deferred outflows of resources - intra-entity transfers<br>of future revenues |  | 809,538  |                          | 809,538             |
| <b>Total assets and deferred outflows of resources</b>                        | <b>\$ 1,128,398</b>                                | <b>\$ 27,180</b>   | <b>\$ 46,811</b>         | <b>\$ 1,202,389</b> |
| <b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>                          |  |  |                          |                     |
| Accounts payable and accrued liabilities                                      |  | \$ 385   | \$ 1,065                 | \$ 1,450            |
| Intergovernmental payables  |  |  | 9,963                    | 9,963               |
| Due to other funds  | \$ 60,796  |  | 35,694                   | 96,490              |
| Due to component units  |  |  | 89                       | 89                  |
| <b>Total liabilities</b>  | <b>60,796</b>                                      | <b>385</b>   | <b>46,811</b>            | <b>107,992</b>      |
| Deferred inflows of resources - unavailable revenue                           | 132,509  |  |                          | 132,509             |
| <b>Total liabilities and deferred inflows of resources</b>                    | <b>193,305</b>                                     | <b>385</b>   | <b>46,811</b>            | <b>240,501</b>      |
| <b>FUND BALANCES</b>  |  |  |                          |                     |
| Restricted  | 935,093  | 26,795   |                          | 961,888             |
| <b>Total fund balances</b>  | <b>935,093</b>                                     | <b>26,795</b>  |                          | <b>961,888</b>      |
| <b>Total liabilities, deferred inflows<br/>of resources and fund balances</b> | <b>\$ 1,128,398</b>                                | <b>\$ 27,180</b>   | <b>\$ 46,811</b>         | <b>\$ 1,202,389</b> |

**State of Illinois**

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Nonmajor Special Revenue Funds  
Other Agencies, Boards and Authorities**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|  | Railsplitter<br>Tobacco<br>Settlement<br>Authority | Workers'<br>Compensation<br>Commission                           | Illinois Gaming<br>Board |                   |
|--|--|--|--------------------------|-------------------|
|  | Railsplitter<br>Trustee Account<br>Fund            | Settlement Fund -<br>Illinois Chamber<br>of Commerce v.<br>Filan | State Gaming<br>Fund     | Total             |
| <b>REVENUES</b>  |  |  |                          |                   |
| Riverboat taxes  |  | \$ 498,309   | \$ 498,309               |                   |
| Licenses and fees  |  | 4,435  | 4,435                    |                   |
| Interest and other investment income                                 | \$ 31  |  |                          | 31                |
| Other  | 262,519  | \$ 4,950   | 6                        | 267,475           |
| <b>Total revenues</b>  | <b>262,550</b>                                     | <b>4,950</b>   | <b>502,750</b>           | <b>770,250</b>    |
| <b>EXPENDITURES</b>  |  |  |                          |                   |
| Current:   |  |  |                          |                   |
| Health and social services   |  | 767  | 767                      |                   |
| General government   | 50   |  |                          | 50                |
| Public protection and justice  |  | 48,186   | 48,186                   |                   |
| Debt service:  |  |  |                          |                   |
| Principal  | 76,820   |  |                          | 76,820            |
| Interest   | 71,869   |  |                          | 71,869            |
| Capital outlays  |  | 6  | 6                        |                   |
| Intergovernmental  |  | 94,803   | 94,803                   |                   |
| <b>Total expenditures</b>  | <b>148,739</b>                                     | <b>143,762</b>   | <b>292,501</b>           |                   |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>113,811</b>                                     | <b>4,950</b>   | <b>358,988</b>           | <b>477,749</b>    |
| <b>OTHER SOURCES (USES) OF<br/>FINANCIAL RESOURCES</b>               |  |  |                          |                   |
| Transfers-out  | (209,804)  | (3,694)  | (358,988)                | (572,486)         |
| <b>Net other sources (uses) of<br/>financial resources</b>           | <b>(209,804)</b>                                   | <b>(3,694)</b>   | <b>(358,988)</b>         | <b>(572,486)</b>  |
| <b>Net change in fund balances</b>                                   | <b>(95,993)</b>                                    | <b>1,256</b>   | <b>-</b>                 | <b>(94,737)</b>   |
| Fund balances, July 1, 2014  | 1,031,086  | 25,539   |                          | 1,056,625         |
| <b>FUND BALANCES, JUNE 30, 2015</b>                                  | <b>\$ 935,093</b>                                  | <b>\$ 26,795</b>   | <b>\$ -</b>              | <b>\$ 961,888</b> |

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## **DEBT SERVICE FUNDS**

The Debt Service Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest.

### **SIGNIFICANT NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS DESCRIPTIONS**

#### **Treasurer**

General Obligation Bond Retirement and Interest Fund--to account for payments of principal and interest related to general obligation bonds. These bonds provide financing for the protection of the environment within the State; the acquisition, construction, reconstruction, extension, and improvement of highways; the acquisition, construction, reconstruction, and improvement of capital projects; the construction of facilities leased back to the State; and the development of mass transportation and aviation systems within the State.

#### **Governor's Office of Management and Budget**

Build Illinois Bond Retirement and Interest Fund--to account for the payment of principal and interest upon bonds issued to finance improvements related to existing or planned scientific research, manufacturing, or industrial development or expansion in Illinois. Funding consists of transfers from the Build Illinois Fund and investment income.

***State of Illinois*****Combining Balance Sheet****Nonmajor Debt Service Funds**

June 30, 2015 (Expressed in Thousands)

|   | Treasurer   |  | Governor's Office<br>of Management<br>and Budget |                     |  |  |
|---|---|--|--|---------------------|--|--|
|   | General<br>Obligation Bond<br>Retirement and<br>Interest Fund | Build Illinois<br>Bond Retirement<br>and Interest Fund | Other  | Total               |  |  |
| <b>ASSETS</b>   |   |  |  |                     |  |  |
| Cash equity with State Treasurer                        | \$ 1,212,578  | \$ 7,363   | \$ 10,177  | \$ 1,230,118        |  |  |
| Cash and cash equivalents                               | 10,064  | 128,206  | 22,374   | 160,644             |  |  |
| Securities lending collateral of State Treasurer        | 434,092   | 3,601  |  | 437,693             |  |  |
| Receivables, net:                                       |   |  |  |                     |  |  |
| Intergovernmental                                       | 10,381  |  |  | 10,381              |  |  |
| Other   | 421   | 4  |  | 425                 |  |  |
| Due from other funds                                    | 3,713   |  |  | 3,713               |  |  |
| Loans and notes receivable, net                         | 7,850   |  |  | 7,850               |  |  |
| <b>Total assets</b>                                     | <b>\$ 1,679,099</b>   | <b>\$ 139,174</b>                                      | <b>\$ 32,551</b>                                 | <b>\$ 1,850,824</b> |  |  |
| <b>LIABILITIES</b>                                      |   |  |  |                     |  |  |
| Obligations under securities lending of State Treasurer | \$ 434,092  | \$ 3,601   |  | \$ 437,693          |  |  |
| <b>Total liabilities</b>                                | <b>\$ 434,092</b>   | <b>\$ 3,601</b>  |  | <b>\$ 437,693</b>   |  |  |
| <b>FUND BALANCES</b>                                    |   |  |  |                     |  |  |
| Restricted  | 1,245,007   | 135,573  | \$ 32,551  | 1,413,131           |  |  |
| <b>Total fund balances</b>                              | <b>1,245,007</b>  | <b>135,573</b>   | <b>\$ 32,551</b>                                 | <b>1,413,131</b>    |  |  |
| <b>Total liabilities and fund balances</b>              | <b>\$ 1,679,099</b>   | <b>\$ 139,174</b>                                      | <b>\$ 32,551</b>                                 | <b>\$ 1,850,824</b> |  |  |

***State of Illinois***

**Combining Statement of Revenues, Expenditures**

**and Changes in Fund Balances**

**Nonmajor Debt Service Funds**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|  | Treasurer   |  | Governor's Office<br>of Management<br>and Budget |                     | Other         | Total |
|--|---|--|--|---------------------|---------------|-------|
|  | General<br>Obligation Bond<br>Retirement and<br>Interest Fund | Build Illinois<br>Bond Retirement<br>and Interest Fund |  |                     |               |       |
| <b>REVENUES</b>  |   |  |  |                     |               |       |
| Federal government   | \$ 64,900   |  |  |                     | \$ 64,900     |       |
| Licenses and fees  | 154   |  |  |                     | 154           |       |
| Interest and other investment income                                 | 5,976   | \$ 72  | \$ 2   |                     | 6,050         |       |
| Other  | 7   |  |  |                     | 7             |       |
| <b>Total revenues</b>  | <b>71,037</b>   | <b>72</b>  | <b>2</b>   |                     | <b>71,111</b> |       |
| <b>EXPENDITURES</b>  |   |  |  |                     |               |       |
| Current:   |   |  |  |                     |               |       |
| General government   |   | 73   |  |                     | 73            |       |
| Employment and economic development                                  |   |  | 17   |                     | 17            |       |
| Transportation   |   |  | 1  |                     | 1             |       |
| Debt service:  |   |  |  |                     |               |       |
| Principal  | 2,068,625   | 240,995  | 16,075   | 2,325,695           |               |       |
| Interest   | 1,471,759   | 128,985  | 3,881  | 1,604,625           |               |       |
| Capital outlays  |   |  | 181  | 181                 |               |       |
| <b>Total expenditures</b>  | <b>3,540,384</b>  | <b>370,053</b>   | <b>20,155</b>                                    | <b>3,930,592</b>    |               |       |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(3,469,347)</b>  | <b>(369,981)</b>                                       | <b>(20,153)</b>                                  | <b>(3,859,481)</b>  |               |       |
| <b>OTHER SOURCES (USES) OF<br/>FINANCIAL RESOURCES</b>               |   |  |  |                     |               |       |
| Transfers-in   | 3,112,394   | 460,741  | 20,577   | 3,593,712           |               |       |
| Transfers-out  |   | (131,518)  |  | (131,518)           |               |       |
| <b>Net other sources (uses) of<br/>financial resources</b>           | <b>3,112,394</b>  | <b>329,223</b>   | <b>20,577</b>                                    | <b>3,462,194</b>    |               |       |
| <b>Net change in fund balances</b>                                   | <b>(356,953)</b>  | <b>(40,758)</b>  | <b>424</b>                                       | <b>(397,287)</b>    |               |       |
| Fund balances, July 1, 2014  | 1,601,960   | 176,331  | 32,127   | 1,810,418           |               |       |
| <b>FUND BALANCES, JUNE 30, 2015</b>                                  | <b>\$ 1,245,007</b>   | <b>\$ 135,573</b>                                      | <b>\$ 32,551</b>                                 | <b>\$ 1,413,131</b> |               |       |

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## **CAPITAL PROJECTS FUNDS**

The Capital Projects Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays including the acquisition and/or construction of capital facilities and other capital assets.

### **SIGNIFICANT NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS DESCRIPTIONS**

#### **Department of Commerce and Economic Opportunity**

Build Illinois Bond Fund--to account for the proceeds from bond issues of the Build Illinois Bond Program to finance improvements related to scientific research, manufacturing, and industrial development or expansion.

#### **Department of Transportation**

Transportation Bond Series A Fund--to account for the proceeds from bond issues to finance State highway acquisition, construction, reconstruction, extension, and improvements.

Transportation Bond Series B Fund--to account for the proceeds from bond issues used to finance mass transportation and aviation infrastructure including, but not limited to, the acquisition of mass transportation equipment, including rail and bus, and other equipment for counties under the Regional Transportation Authority.

Transportation Bond Series D Fund--to account for the proceeds from bond issues used to finance State highways, arterial highways, freeways, roads, bridges, structures separating highways and railroads and roads, and bridges on roads maintained by counties, municipalities, townships or road districts.

#### **Capital Development Board**

Capital Development Fund--to account for the proceeds from bond issues to finance capital development projects within the State.

School Construction Fund--to account for the proceeds from bond issues to finance school construction building projects.

CDB Contributory Trust Fund--to account for local, state, and federal funding for the construction and remodeling of buildings and the purchase of land and equipment in connection with the various contributing educational institutions, State departments, and agencies as authorized by law.

**State of Illinois**

**Combining Balance Sheet**

**Nonmajor Capital Projects Funds**

June 30, 2015 (Expressed in Thousands)

|   | Commerce and<br>Economic<br>Opportunity |                   | Capital<br>Development<br>Board |                 | Other             |          | Total |
|---|---|-------------------|---------------------------------|-----------------|-------------------|----------|-------|
|   | Build Illinois<br>Bond Fund             | Transportation    |                                 |                 |                   |          |       |
| <b>ASSETS</b>   |   |                   |                                 |                 |                   |          |       |
| Cash equity with State Treasurer                      | \$ 15,373                               | \$ 420,552        | \$ 127,330                      | \$ 3,124        | \$ 566,379        |          |       |
| Cash and cash equivalents                             |   |                   | 6,451                           | 66              | 6,517             |          |       |
| Intergovernmental receivables, net                    |   |                   | 4,562                           |                 | 4,562             |          |       |
| Due from other funds                                  | 12,930                                  |                   | 20,508                          | 317             | 33,755            |          |       |
| Loans and notes receivable, net                       | 1,500                                   |                   |                                 |                 | 1,500             |          |       |
| <b>Total assets</b>                                   | <b>\$ 29,803</b>                        | <b>\$ 420,552</b> | <b>\$ 158,851</b>               | <b>\$ 3,507</b> | <b>\$ 612,713</b> |          |       |
| <b>LIABILITIES</b>                                    |   |                   |                                 |                 |                   |          |       |
| Accounts payable and accrued liabilities              | \$ 23,497                               | \$ 44,131         | \$ 58,153                       |                 | \$ 125,781        |          |       |
| Intergovernmental payables                            | 19,323                                  | 131,054           | 35,380                          |                 | 185,757           |          |       |
| Due to other funds                                    | 212                                     |                   | 731                             |                 | 943               |          |       |
| Due to component units                                |   | 66                | 1,539                           |                 | 1,605             |          |       |
| Unearned revenue                                      |   |                   | 941                             |                 | 941               |          |       |
| <b>Total liabilities</b>                              | <b>43,032</b>                           | <b>175,251</b>    | <b>96,744</b>                   |                 | <b>315,027</b>    |          |       |
| <b>FUND BALANCES (DEFICITS)</b>                       |   |                   |                                 |                 |                   |          |       |
| Restricted  |   |                   |                                 | \$ 372          |                   | 372      |       |
| Committed   |   | 245,301           | 62,107                          | 3,135           |                   | 310,543  |       |
| Unassigned  | (13,229)                                |                   |                                 |                 |                   | (13,229) |       |
| <b>Total fund balances (deficits)</b>                 | <b>(13,229)</b>                         | <b>245,301</b>    | <b>62,107</b>                   | <b>3,507</b>    | <b>297,686</b>    |          |       |
| <b>Total liabilities and fund balances (deficits)</b> | <b>\$ 29,803</b>                        | <b>\$ 420,552</b> | <b>\$ 158,851</b>               | <b>\$ 3,507</b> | <b>\$ 612,713</b> |          |       |

**State of Illinois**

**Combining Statement of Revenues, Expenditures**

**and Changes in Fund Balances**

**Nonmajor Capital Projects Funds**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|  | <u>Commerce and<br/>Economic<br/>Opportunity</u> | <u>Build Illinois<br/>Bond Fund</u> | <u>Transportation</u> | <u>Capital<br/>Development<br/>Board</u> | <u>Other</u>      | <u>Total</u>       |
|--|--|-------------------------------------|-----------------------|--|-------------------|--------------------|
| <b>REVENUES</b>  |  |                                     |                       |  |                   |                    |
| Federal government   |  |                                     |                       | \$ 20,441                                | \$ 20,441         |                    |
| Other  |  | \$ 17                               |                       | 16,619                                   |                   | 16,636             |
| <b>Total revenues</b>  |  | <b>\$ 17</b>                        |                       | <b>37,060</b>                            |                   | <b>37,077</b>      |
| <b>EXPENDITURES</b>  |  |                                     |                       |  |                   |                    |
| Current:   |  |                                     |                       |  |                   |                    |
| Health and social services   |  | 659                                 |                       |  |                   | 659                |
| Education  |  | 131,391                             |                       | 388,580                                  |                   | 519,971            |
| General government   |  | 41,508                              |                       | 21,537                                   |                   | 63,045             |
| Employment and economic development                                  |  | 218,638                             |                       | 25,449                                   | \$ 7,223          | 251,310            |
| Transportation   |  |                                     | \$ 475,839            |  | 1,388             | 477,227            |
| Public protection and justice  |  | 18,184                              |                       |  | 25                | 18,209             |
| Environment and business regulation                                  |  | 7,912                               |                       | 14,370                                   | 560               | 22,842             |
| Capital outlays  |  | 600                                 | 697,448               | 133,492                                  |                   | 831,540            |
| <b>Total expenditures</b>  |  | <b>418,892</b>                      | <b>1,173,287</b>      | <b>583,428</b>                           | <b>9,196</b>      | <b>2,184,803</b>   |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> |  | <b>(418,875)</b>                    | <b>(1,173,287)</b>    | <b>(546,368)</b>                         | <b>(9,196)</b>    | <b>(2,147,726)</b> |
| <b>OTHER SOURCES (USES) OF<br/>FINANCIAL RESOURCES</b>               |  |                                     |                       |  |                   |                    |
| Transfers-in   |  |                                     | 33,908                | 136,116                                  | 1,414             | 171,438            |
| Transfers-out  |  | <b>(3,462)</b>                      | <b>(96,570)</b>       | <b>(29,886)</b>                          | <b>(43,568)</b>   | <b>(173,486)</b>   |
| <b>Net other sources (uses) of<br/>financial resources</b>           |  | <b>(3,462)</b>                      | <b>(62,662)</b>       | <b>106,230</b>                           | <b>(42,154)</b>   | <b>(2,048)</b>     |
| <b>Net change in fund balances</b>                                   |  | <b>(422,337)</b>                    | <b>(1,235,949)</b>    | <b>(440,138)</b>                         | <b>(51,350)</b>   | <b>(2,149,774)</b> |
| Fund balances, July 1, 2014  |  | 409,108                             | 1,481,250             | 502,245                                  | 54,857            | 2,447,460          |
| <b>FUND BALANCES (DEFICITS), JUNE 30, 2015</b>                       | <b>\$ (13,229)</b>                               | <b>\$ 245,301</b>                   | <b>\$ 62,107</b>      | <b>\$ 3,507</b>                          | <b>\$ 297,686</b> |                    |

***State of Illinois*****Combining Balance Sheet - Nonmajor Capital Projects Funds****Transportation**

June 30, 2015 (Expressed in Thousands)

|  | Transportation<br>Bond Series A<br>Fund | Transportation<br>Bond Series B<br>Fund | Transportation<br>Bond Series D<br>Fund | Total             |
|--|---|---|---|-------------------|
| <b>ASSETS</b>                              |   |   |   |                   |
| Cash equity with State Treasurer           | \$ 42,352                               | \$ 249,164                              | \$ 129,036                              | \$ 420,552        |
| <b>Total assets</b>                        | <b>\$ 42,352</b>                        | <b>\$ 249,164</b>                       | <b>\$ 129,036</b>                       | <b>\$ 420,552</b> |
| <b>LIABILITIES</b>                         |   |   |   |                   |
| Accounts payable and accrued liabilities   | \$ 4,121                                | \$ 11,893                               | \$ 28,117                               | \$ 44,131         |
| Intergovernmental payables                 | 5,316                                   | 113,461                                 | 12,277                                  | 131,054           |
| Due to component units                     |   | 1                                       | 65                                      | 66                |
| <b>Total liabilities</b>                   | <b>9,437</b>                            | <b>125,355</b>                          | <b>40,459</b>                           | <b>175,251</b>    |
| <b>FUND BALANCES</b>                       |   |   |   |                   |
| Committed                                  | 32,915                                  | 123,809                                 | 88,577                                  | 245,301           |
| <b>Total fund balances</b>                 | <b>32,915</b>                           | <b>123,809</b>                          | <b>88,577</b>                           | <b>245,301</b>    |
| <b>Total liabilities and fund balances</b> | <b>\$ 42,352</b>                        | <b>\$ 249,164</b>                       | <b>\$ 129,036</b>                       | <b>\$ 420,552</b> |

***State of Illinois*****Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Nonmajor Capital Projects Funds****Transportation**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|  | Transportation<br>Bond Series A<br>Fund | Transportation<br>Bond Series B<br>Fund | Transportation<br>Bond Series D<br>Fund | Total              |
|--|---|---|---|--------------------|
| <b>EXPENDITURES</b>  |   |   |   |                    |
| Current:   |   |   |   |                    |
| Transportation<br>Capital outlays                              | \$ 33,892                               | \$ 9,395                                | \$ 654,161                              | \$ 697,448         |
| <b>Total expenditures</b>                                      | <b>33,892</b>                           | <b>326,529</b>                          | <b>812,866</b>                          | <b>1,173,287</b>   |
| Excess (deficiency) of revenues<br>over (under) expenditures   | (33,892)                                | (326,529)                               | (812,866)                               | (1,173,287)        |
| <b>OTHER SOURCES (USES) OF<br/>FINANCIAL RESOURCES</b>         |   |   |   |                    |
| Transfers-in   | 3,985                                   | 19,961                                  | 9,962                                   | 33,908             |
| Transfers-out  | (31,830)                                |   | (64,740)                                | (96,570)           |
| <b>Net other sources (uses) of<br/>    financial resources</b> | <b>(27,845)</b>                         | <b>19,961</b>                           | <b>(54,778)</b>                         | <b>(62,662)</b>    |
| <b>Net change in fund balances</b>                             | <b>(61,737)</b>                         | <b>(306,568)</b>                        | <b>(867,644)</b>                        | <b>(1,235,949)</b> |
| Fund balances, July 1, 2014                                    | 94,652                                  | 430,377                                 | 956,221                                 | 1,481,250          |
| <b>FUND BALANCES, JUNE 30, 2015</b>                            | <b>\$ 32,915</b>                        | <b>\$ 123,809</b>                       | <b>\$ 88,577</b>                        | <b>\$ 245,301</b>  |

***State of Illinois*****Combining Balance Sheet - Nonmajor Capital Projects Funds****Capital Development Board**

June 30, 2015 (Expressed in Thousands)

|  | Capital<br>Development<br>Fund | School<br>Construction<br>Fund | CDB<br>Contributory<br>Trust Fund | Total             |
|--|--------------------------------|--------------------------------|-----------------------------------|-------------------|
| <b>ASSETS</b>                              |                                |                                |                                   |                   |
| Cash equity with State Treasurer           | \$ 65,145                      | \$ 49,408                      | \$ 12,777                         | \$ 127,330        |
| Cash and cash equivalents                  | 6,451                          |                                |                                   | 6,451             |
| Intergovernmental receivables, net         |                                |                                | 4,562                             | 4,562             |
| Due from other funds                       | 17,237                         |                                | 3,271                             | 20,508            |
| <b>Total assets</b>                        | <b>\$ 88,833</b>               | <b>\$ 49,408</b>               | <b>\$ 20,610</b>                  | <b>\$ 158,851</b> |
| <b>LIABILITIES</b>                         |                                |                                |                                   |                   |
| Accounts payable and accrued liabilities   | \$ 50,158                      | \$ 7,995                       | \$ 58,153                         |                   |
| Intergovernmental payables                 | 2,102                          | 33,278                         |                                   | 35,380            |
| Due to other funds                         | 731                            |                                |                                   | 731               |
| Due to component units                     | 1,539                          |                                |                                   | 1,539             |
| Unearned revenue                           |                                |                                | 941                               | 941               |
| <b>Total liabilities</b>                   | <b>54,530</b>                  | <b>33,278</b>                  | <b>8,936</b>                      | <b>96,744</b>     |
| <b>FUND BALANCES</b>                       |                                |                                |                                   |                   |
| Committed                                  | 34,303                         | 16,130                         | 11,674                            | 62,107            |
| <b>Total fund balances</b>                 | <b>34,303</b>                  | <b>16,130</b>                  | <b>11,674</b>                     | <b>62,107</b>     |
| <b>Total liabilities and fund balances</b> | <b>\$ 88,833</b>               | <b>\$ 49,408</b>               | <b>\$ 20,610</b>                  | <b>\$ 158,851</b> |

***State of Illinois***

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Nonmajor Capital Projects Funds**  
**Capital Development Board**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|  | Capital<br>Development<br>Fund | School<br>Construction<br>Fund | CDB<br>Contributory<br>Trust Fund | Total            |
|--|--------------------------------|--------------------------------|-----------------------------------|------------------|
| <b>REVENUES</b>  |                                |                                |                                   |                  |
| Federal government   |                                | \$ 20,441                      | \$ 20,441                         |                  |
| Other  |                                | 16,619                         | 16,619                            |                  |
| <b>Total revenues</b>  |                                | <b>37,060</b>                  | <b>37,060</b>                     |                  |
| <b>EXPENDITURES</b>  |                                |                                |                                   |                  |
| Current:   |                                |                                |                                   |                  |
| Education  | \$ 114,802                     | \$ 257,200                     | 16,578                            | 388,580          |
| General government   | 21,537                         |                                |                                   | 21,537           |
| Employment and economic development                                  | 25,449                         |                                |                                   | 25,449           |
| Environment and business regulation                                  | 14,370                         |                                |                                   | 14,370           |
| Capital outlays  | 112,999                        |                                | 20,493                            | 133,492          |
| <b>Total expenditures</b>  | <b>289,157</b>                 | <b>257,200</b>                 | <b>37,071</b>                     | <b>583,428</b>   |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(289,157)</b>               | <b>(257,200)</b>               | <b>(11)</b>                       | <b>(546,368)</b> |
| <b>OTHER SOURCES (USES) OF<br/>FINANCIAL RESOURCES</b>               |                                |                                |                                   |                  |
| Transfers-in   | 87,561                         | 48,555                         | 136,116                           |                  |
| Transfers-out  |                                | (29,886)                       | (29,886)                          |                  |
| <b>Net other sources (uses) of<br/>financial resources</b>           | <b>87,561</b>                  | <b>18,669</b>                  | <b>106,230</b>                    |                  |
| <b>Net change in fund balances</b>                                   | <b>(201,596)</b>               | <b>(238,531)</b>               | <b>(11)</b>                       | <b>(440,138)</b> |
| Fund balances, July 1, 2014  | 235,899                        | 254,661                        | 11,685                            | 502,245          |
| <b>FUND BALANCES, JUNE 30, 2015</b>                                  | <b>\$ 34,303</b>               | <b>\$ 16,130</b>               | <b>\$ 11,674</b>                  | <b>\$ 62,107</b> |

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## **PERMANENT FUNDS**

The Permanent Funds are used to account for and report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that benefit the government or its citizens.

### **SIGNIFICANT NONMAJOR GOVERNMENTAL PERMANENT FUNDS DESCRIPTIONS**

#### **Department of Natural Resources**

Fish and Wildlife Endowment Fund--to account for resources obtained from the issuance of lifetime hunting, fishing or sportsmen's combination licenses.

Illinois Habitat Endowment Trust Fund--to account for resources obtained from private donations and transfers or deposits from the Park and Conservation Fund. All deposits into the fund shall become part of the trust fund corpus.

#### **Illinois Power Agency**

Illinois Power Agency Trust Fund--to account for resources obtained from private grants and other monies received. No more than ninety percent of investment income may be appropriated annually, and investment income not appropriated is to be added to the principal of the fund.

***State of Illinois*****Combining Balance Sheet****Nonmajor Permanent Funds**

June 30, 2015 (Expressed in Thousands)

|   | Natural<br>Resources | Illinois Power<br>Agency<br>Illinois Power | Agency Trust<br>Fund | Other            | Total     |
|---|----------------------|--|----------------------|------------------|-----------|
| <b>ASSETS</b>   |                      |  |                      |                  |           |
| Cash equity with State Treasurer                        | \$ 14,104            |  |                      | \$ 196           | \$ 14,104 |
| Cash and cash equivalents                               |                      |  |                      |                  | 196       |
| Securities lending collateral of State Treasurer        | 977                  |  |                      |                  | 977       |
| Investments   |                      | \$ 34,177                                  |                      | 1,216            | 35,393    |
| Other receivables, net                                  | 1                    |  |                      |                  | 1         |
| <b>Total assets</b>                                     | <b>\$ 15,082</b>     | <b>\$ 34,177</b>                           | <b>\$ 1,412</b>      | <b>\$ 50,671</b> |           |
| <b>LIABILITIES</b>                                      |                      |  |                      |                  |           |
| Due to other funds                                      |                      | \$ 1,063                                   | \$ 158               | \$ 1,221         |           |
| Obligations under securities lending of State Treasurer | \$ 977               |  |                      |                  | 977       |
| <b>Total liabilities</b>                                | <b>977</b>           | <b>1,063</b>                               | <b>158</b>           | <b>2,198</b>     |           |
| <b>FUND BALANCES</b>                                    |                      |  |                      |                  |           |
| Nonspendable endowments and similar funds               | 10,849               | 33,114                                     | 1,107                | 45,070           |           |
| Restricted  | 3,256                |  | 147                  | 3,403            |           |
| <b>Total fund balances</b>                              | <b>14,105</b>        | <b>33,114</b>                              | <b>1,254</b>         | <b>48,473</b>    |           |
| <b>Total liabilities and fund balances</b>              | <b>\$ 15,082</b>     | <b>\$ 34,177</b>                           | <b>\$ 1,412</b>      | <b>\$ 50,671</b> |           |

***State of Illinois*****Combining Statement of Revenues, Expenditures****and Changes in Fund Balances****Nonmajor Permanent Funds**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|  | Natural<br>Resources | Illinois Power<br>Agency<br>Fund | Illinois Power<br>Agency Trust<br>Fund | Other     | Total            |
|--|----------------------|----------------------------------|--|-----------|------------------|
| <b>REVENUES</b>  |                      |                                  |  |           |                  |
| Licenses and fees  | \$ 46                |                                  |  |           | \$ 46            |
| Interest and other investment income                                 | 12                   | \$ 1,555                         | \$ 25                                  |           | 1,592            |
| <b>Total revenues</b>  | <b>58</b>            | <b>1,555</b>                     | <b>25</b>                              |           | <b>1,638</b>     |
| <b>EXPENDITURES</b>  |                      |                                  |  |           |                  |
| Current:   |                      |                                  |  |           |                  |
| Health and social services   |                      |                                  |  | 31        | 31               |
| <b>Total expenditures</b>  |                      |                                  |  | <b>31</b> | <b>31</b>        |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>58</b>            | <b>1,555</b>                     | <b>(6)</b>                             |           | <b>1,607</b>     |
| <b>OTHER SOURCES (USES) OF<br/>FINANCIAL RESOURCES</b>               |                      |                                  |  |           |                  |
| Transfers-out  |                      | (1,063)                          | (5)                                    |           | (1,068)          |
| Net other sources (uses) of<br>financial resources                   |                      | (1,063)                          | (5)                                    |           | (1,068)          |
| <b>Net change in fund balances</b>                                   | <b>58</b>            | <b>492</b>                       | <b>(11)</b>                            |           | <b>539</b>       |
| Fund balances, July 1, 2014  | 14,047               | 32,622                           | 1,265                                  |           | 47,934           |
| <b>FUND BALANCES, JUNE 30, 2015</b>                                  | <b>\$ 14,105</b>     | <b>\$ 33,114</b>                 | <b>\$ 1,254</b>                        |           | <b>\$ 48,473</b> |

***State of Illinois*****Combining Balance Sheet - Nonmajor Permanent Funds****Natural Resources**

June 30, 2015 (Expressed in Thousands)

|   | Fish and Wildlife<br>Endowment<br>Fund | Illinois Habitat<br>Endowment<br>Trust Fund | Total            |
|---|--|---|------------------|
| <b>ASSETS</b>   |  |   |                  |
| Cash equity with State Treasurer                        | \$ 2,180                               | \$ 11,924                                   | \$ 14,104        |
| Securities lending collateral of State Treasurer        | 977                                    |   | 977              |
| Other receivables, net                                  | 1                                      |   | 1                |
| <b>Total assets</b>                                     | <b>\$ 3,158</b>                        | <b>\$ 11,924</b>                            | <b>\$ 15,082</b> |
| <b>LIABILITIES</b>                                      |  |   |                  |
| Obligations under securities lending of State Treasurer | \$ 977                                 |   | \$ 977           |
| <b>Total liabilities</b>                                | <b>977</b>                             |   | <b>977</b>       |
| <b>FUND BALANCES</b>                                    |  |   |                  |
| Nonspendable endowments and similar funds               | 2,181                                  | \$ 8,668                                    | 10,849           |
| Restricted  |  | 3,256                                       | 3,256            |
| <b>Total fund balances</b>                              | <b>2,181</b>                           | <b>11,924</b>                               | <b>14,105</b>    |
| <b>Total liabilities and fund balances</b>              | <b>\$ 3,158</b>                        | <b>\$ 11,924</b>                            | <b>\$ 15,082</b> |

***State of Illinois***

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Nonmajor Permanent Funds**  
**Natural Resources**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|                                      | Fish and Wildlife<br>Endowment Fund | Illinois Habitat<br>Endowment<br>Trust Fund | Total            |
|--------------------------------------|-------------------------------------|---|------------------|
| <b>REVENUES</b>                      |                                     |   |                  |
| Licenses and fees                    | \$ 46                               | \$ 46                                       |                  |
| Interest and other investment income | 10                                  | 2   | 12               |
| <b>Total revenues</b>                | <b>56</b>                           | <b>2</b>                                    | <b>58</b>        |
| <b>Net change in fund balances</b>   | <b>56</b>                           | <b>2</b>                                    | <b>58</b>        |
| Fund balances, July 1, 2014          | 2,125                               | 11,922                                      | 14,047           |
| <b>FUND BALANCES, JUNE 30, 2015</b>  | <b>\$ 2,181</b>                     | <b>\$ 11,924</b>                            | <b>\$ 14,105</b> |

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## **ENTERPRISE FUNDS**

Enterprise Funds are maintained to account for the operations where the intent of the State is to provide services to the general public in a manner similar to private business enterprises.

### **SIGNIFICANT NONMAJOR ENTERPRISE FUNDS DESCRIPTIONS**

#### **Department of the Lottery**

State Lottery Fund--to account for all receipts and expenses from the operation of the State Lottery. The net proceeds are transferred to the Common School Account in the General Fund.

#### **Student Assistance Commission**

Federal Student Loan Fund--to account for the Federal Family Education Loan Program which funds the repayment of guaranteed loans that have gone into default to lenders.

Student Loan Operation Fund--to account for the administration of the student loan guaranty program.

Illinois Designated Account Purchase Program Fund--to purchase guaranteed student loans from lenders in order to reduce the lenders' collection and administration costs, and to act as a servicer of student loans.

**State of Illinois**

**Combining Statement of Net Position**

**Nonmajor Enterprise Funds**

June 30, 2015 (Expressed in Thousands)

|   | <u>Lottery</u>     | Student Assistance Commission |                 |                    |  |
|---|--------------------|-------------------------------|-----------------|--------------------|--|
|   | State Lottery Fund | Student Assistance Commission | Other           | Total              |  |
| <b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>                                |                    |                               |                 |                    |  |
| Cash equity with State Treasurer  | \$ 245,963         | \$ 85,288                     | \$ 39,489       | \$ 370,740         |  |
| Cash and cash equivalents   | 16,205             | 14,698                        | 3,814           | 34,717             |  |
| Securities lending collateral of State Treasurer                                |                    | 34,827                        | 15,023          | 49,850             |  |
| Investments   | 36,428             | 4,018                         | 26,652          | 67,098             |  |
| Receivables, net:   |                    |                               |                 |                    |  |
| Intergovernmental   |                    | 23,430                        | 87              | 23,517             |  |
| Other   | 68,479             | 34                            | 10,018          | 78,531             |  |
| Due from other funds  |                    | 7,284                         | 217             | 7,501              |  |
| Due from component units  |                    | 21                            |                 | 21                 |  |
| Restricted assets:  |                    |                               |                 |                    |  |
| Cash and cash equivalents   |                    | 19,492                        |                 | 19,492             |  |
| Other receivables, net  |                    | 12,774                        |                 | 12,774             |  |
| Loans and notes receivable, net   |                    | 67,177                        |                 | 67,177             |  |
| Prepaid expenses  | 20,000             |                               | 81              | 20,081             |  |
| <b>Total current assets</b>   | <b>387,075</b>     | <b>269,043</b>                | <b>95,381</b>   | <b>751,499</b>     |  |
| Investments   | 265,231            |                               | 15,636          | 280,867            |  |
| Restricted loans and notes receivable, net                                      |                    | 412,663                       |                 | 412,663            |  |
| Capital assets not being depreciated  |                    | 250                           |                 | 250                |  |
| Capital assets being depreciated, net   | 93                 | 2,631                         | 2,733           | 5,457              |  |
| <b>Total noncurrent assets</b>  | <b>265,324</b>     | <b>415,544</b>                | <b>18,369</b>   | <b>699,237</b>     |  |
| <b>Total assets</b>   | <b>652,399</b>     | <b>684,587</b>                | <b>113,750</b>  | <b>1,450,736</b>   |  |
| Deferred outflows of resources - pensions                                       | 11,718             | 12,578                        | 11,203          | 35,499             |  |
| <b>Total assets and deferred outflows of resources</b>                          | <b>664,117</b>     | <b>697,165</b>                | <b>124,953</b>  | <b>1,486,235</b>   |  |
| <b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>                            |                    |                               |                 |                    |  |
| Accounts payable and accrued liabilities  | 318,402            | 16,180                        | 14,183          | 348,765            |  |
| Intergovernmental payables  | 72                 | 15,037                        | 33              | 15,142             |  |
| Due to other funds  | 60,803             | 7,540                         | 305             | 68,648             |  |
| Due to component units  | 1                  |                               |                 | 1                  |  |
| Unearned revenue  | 2,789              |                               | 18,136          | 20,925             |  |
| Obligations under securities lending of State Treasurer                         |                    | 34,827                        | 15,023          | 49,850             |  |
| Short-term notes payable  |                    | 183,557                       |                 | 183,557            |  |
| Current portion of long-term liabilities  | 34,504             | 73                            | 1,709           | 36,286             |  |
| <b>Total current liabilities</b>  | <b>416,571</b>     | <b>257,214</b>                | <b>49,389</b>   | <b>723,174</b>     |  |
| Noncurrent portion of long-term liabilities                                     | 304,926            | 365,776                       | 73,649          | 744,351            |  |
| <b>Total liabilities</b>  | <b>721,497</b>     | <b>622,990</b>                | <b>123,038</b>  | <b>1,467,525</b>   |  |
| Deferred inflows of resources - unamortized deferred amounts on bond refundings |                    | 45,141                        |                 | 45,141             |  |
| Deferred inflows of resources - pensions  | 2,345              | 7,693                         | 2,305           | 12,343             |  |
| <b>Total liabilities and deferred inflows of resources</b>                      | <b>723,842</b>     | <b>675,824</b>                | <b>125,343</b>  | <b>1,525,009</b>   |  |
| <b>NET POSITION</b>   |                    |                               |                 |                    |  |
| Net investment in capital assets  | 93                 | 2,881                         | 2,733           | 5,707              |  |
| Restricted for:   |                    |                               |                 |                    |  |
| Debt service  |                    | 6,630                         |                 | 6,630              |  |
| Education   |                    | 38,369                        |                 | 38,369             |  |
| Unrestricted  | (59,818)           | (26,539)                      | (3,123)         | (89,480)           |  |
| <b>Total net position</b>   | <b>\$ (59,725)</b> | <b>\$ 21,341</b>              | <b>\$ (390)</b> | <b>\$ (38,774)</b> |  |

***State of Illinois***

**Combining Statement of Revenues, Expenses  
and Changes in Net Position**  
**Nonmajor Enterprise Funds**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|  | <b>Lottery</b>     |                               |                 |                    |
|--|--------------------|-------------------------------|-----------------|--------------------|
|  | State Lottery Fund | Student Assistance Commission | Other           | <b>Total</b>       |
| <b>OPERATING REVENUES</b>                        |                    |                               |                 |                    |
| Charges for sales and services                   | \$ 2,837,805       | \$ 38,590                     | \$ 87,109       | \$ 2,963,504       |
| Interest income pledged as revenue bond security |                    | 22,253                        |                 | 22,253             |
| Other  | 12,806             |                               |                 | 12,806             |
| <b>Total operating revenues</b>                  | <b>2,850,611</b>   | <b>60,843</b>                 | <b>87,109</b>   | <b>2,998,563</b>   |
| <b>OPERATING EXPENSES</b>                        |                    |                               |                 |                    |
| Cost of sales and services                       | 161,607            | 141,323                       | 22,258          | 325,188            |
| Benefit payments and refunds                     |                    |                               | 39,840          | 39,840             |
| Prizes and claims                                | 1,817,478          |                               |                 | 1,817,478          |
| Interest   |                    | 218                           |                 | 218                |
| General and administrative                       | 147,079            | 27,373                        | 6,740           | 181,192            |
| Depreciation                                     | 55                 | 384                           | 682             | 1,121              |
| Other  |                    |                               | 14,362          | 14,362             |
| <b>Total operating expenses</b>                  | <b>2,126,219</b>   | <b>169,298</b>                | <b>83,882</b>   | <b>2,379,399</b>   |
| <b>Operating income (loss)</b>                   | <b>724,392</b>     | <b>(108,455)</b>              | <b>3,227</b>    | <b>619,164</b>     |
| <b>NONOPERATING REVENUES (EXPENSES)</b>          |                    |                               |                 |                    |
| Interest and investment income                   | 16,332             | 309                           | 384             | 17,025             |
| Interest expense                                 | (12,358)           |                               | (12)            | (12,370)           |
| Federal government                               |                    | 129,564                       |                 | 129,564            |
| Other revenues                                   | 100                |                               | 58              | 158                |
| Other expenses                                   | (108)              | (5,500)                       | (1)             | (5,609)            |
| <b>Income (loss) before transfers</b>            | <b>728,358</b>     | <b>15,918</b>                 | <b>3,656</b>    | <b>747,932</b>     |
| Transfers-in                                     |                    | 30,606                        |                 | 30,606             |
| Transfers-out                                    | (724,541)          | (30,787)                      | (30,228)        | (785,556)          |
| <b>Change in net position</b>                    | <b>3,817</b>       | <b>15,737</b>                 | <b>(26,572)</b> | <b>(7,018)</b>     |
| Net position, July 1, 2014, as restated          | (63,542)           | 5,604                         | 26,182          | (31,756)           |
| <b>NET POSITION, JUNE 30, 2015</b>               | <b>\$ (59,725)</b> | <b>\$ 21,341</b>              | <b>\$ (390)</b> | <b>\$ (38,774)</b> |

**State of Illinois**

**Combining Statement of Cash Flows  
Nonmajor Enterprise Funds**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|  | <u>Lottery</u>     | Student Assistance Commission |                  |            |                   | <u>Total</u> |
|--|--------------------|-------------------------------|------------------|------------|-------------------|--------------|
|  | State Lottery Fund | Assistance Commission         | Other            |            |                   |              |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                    |                               |                  |            |                   |              |
| Cash received from sales and services  |                    | \$ 157,356                    | \$ 89,850        | \$ 247,206 |                   |              |
| Cash received from lottery sales   | \$ 2,846,454       |                               |                  |            | \$ 2,846,454      |              |
| Cash payments to suppliers for goods and services                                    | (143,858)          | (6,405)                       | (39,319)         | (189,582)  |                   |              |
| Cash payments to employees for services  | (15,495)           | (14,021)                      | (30,605)         | (60,121)   |                   |              |
| Cash payments for lottery prizes   | (1,709,693)        |                               |                  |            | (1,709,693)       |              |
| Cash payments for commissions and bonuses  | (161,607)          |                               |                  |            | (161,607)         |              |
| Cash receipts from student loan principal  |                    | 83,363                        |                  |            | 83,363            |              |
| Cash receipts from student loan interest   |                    | 15,574                        |                  |            | 15,574            |              |
| Cash payments for student loans issued   |                    | (4,111)                       |                  |            | (4,111)           |              |
| Cash receipts from refund of private management contract fee                         | 37,129             |                               |                  |            | 37,129            |              |
| Cash receipts from other operating activities  | 6,962              |                               | 984              |            | 7,946             |              |
| Cash payments for other operating activities   | (616)              | (248,898)                     | (8,975)          |            | (258,489)         |              |
| Net cash provided (used) by operating activities                                     | <u>859,276</u>     | <u>(17,142)</u>               | <u>11,935</u>    |            | <u>854,069</u>    |              |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>                               |                    |                               |                  |            |                   |              |
| Principal paid on revenue bonds and other borrowings                                 |                    | (82,434)                      |                  |            | (82,434)          |              |
| Interest paid on revenue bonds and other borrowings                                  |                    | (4,175)                       |                  | (12)       | (4,187)           |              |
| Grants received  |                    | 131,325                       |                  | 62         | 131,387           |              |
| Grants paid  |                    | (5,749)                       |                  |            | (5,749)           |              |
| Transfers-in from other funds  |                    | 28,917                        |                  |            | 28,917            |              |
| Transfers-out to other funds   | (690,166)          | (29,098)                      | (30,228)         |            | (749,492)         |              |
| Net cash provided (used) by noncapital financing activities                          | <u>(690,166)</u>   | <u>38,786</u>                 | <u>(30,178)</u>  |            | <u>(681,558)</u>  |              |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                      |                    |                               |                  |            |                   |              |
| Acquisition and construction of capital assets                                       | (5)                | (260)                         | (98)             |            | (363)             |              |
| Net cash provided (used) by capital and related financing activities                 | <u>(5)</u>         | <u>(260)</u>                  | <u>(98)</u>      |            | <u>(363)</u>      |              |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                    |                               |                  |            |                   |              |
| Purchase of investment securities  | (33,594)           | (4,018)                       | (30,677)         |            | (68,289)          |              |
| Proceeds from sales and maturities of investment securities                          | 39,983             | 4,009                         | 26,068           |            | 70,060            |              |
| Cash paid for long-term annuity prizes payable                                       | (39,825)           |                               |                  |            | (39,825)          |              |
| Interest and dividends on investments  | 57                 | 302                           | 383              |            | 742               |              |
| Net cash provided (used) by investing activities                                     | <u>(33,379)</u>    | <u>293</u>                    | <u>(4,226)</u>   |            | <u>(37,312)</u>   |              |
| <b>Net increase (decrease) in cash and cash equivalents</b>                          | <b>135,726</b>     | <b>21,677</b>                 | <b>(22,567)</b>  |            | <b>134,836</b>    |              |
| Cash and cash equivalents, July 1, 2014  | <u>126,442</u>     | <u>97,801</u>                 | <u>65,870</u>    |            | <u>290,113</u>    |              |
| <b>CASH AND CASH EQUIVALENTS, JUNE 30, 2015</b>                                      | <b>\$ 262,168</b>  | <b>\$ 119,478</b>             | <b>\$ 43,303</b> |            | <b>\$ 424,949</b> |              |
| <b>Reconciliation of cash and cash equivalents to the Statement of Net Position:</b> |                    |                               |                  |            |                   |              |
| Total cash and cash equivalents per Statement of Net Position                        | \$ 16,205          | \$ 14,698                     | \$ 3,814         |            | \$ 34,717         |              |
| Add: cash equity with State Treasurer  | 245,963            | 85,288                        | 39,489           |            | 370,740           |              |
| Add: restricted cash equivalents   |                    | 19,492                        |                  |            | 19,492            |              |
| <b>CASH AND CASH EQUIVALENTS, JUNE 30, 2015</b>                                      | <b>\$ 262,168</b>  | <b>\$ 119,478</b>             | <b>\$ 43,303</b> |            | <b>\$ 424,949</b> |              |

(continued)

**State of Illinois**

**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**

For the Year Ended June 30, 2015 (Expressed in Thousands)  
(continued)

|   | <u>Lottery</u>     | Student Assistance Commission |                  |                   |          |
|---|--------------------|-------------------------------|------------------|-------------------|----------|
|   | State Lottery Fund | Assistance Commission         | Other            | Total             |          |
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b> |                    |                               |                  |                   |          |
| <b>OPERATING INCOME (LOSS)</b>  | \$ 724,392         | \$ (108,455)                  | \$ 3,227         | \$ 619,164        |          |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |                    |                               |                  |                   |          |
| Depreciation  | 55                 | 384                           | 682              | 1,121             |          |
| Provision for uncollectible accounts  | 1,959              | 3,183                         | 89               | 5,231             |          |
| Recovery of private management contract fee   | (21,776)           |                               |                  |                   | (21,776) |
| Amortization  |                    | 1,399                         |                  |                   | 1,399    |
| Interest and investment income  |                    | (5)                           |                  |                   | (5)      |
| Interest expense  |                    |                               | 218              |                   | 218      |
| Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:     |                    |                               |                  |                   |          |
| (Increase) decrease in accounts receivable  | 32,708             | (381)                         | (540)            | 31,787            |          |
| (Increase) decrease in intergovernmental receivables  | 58                 | 64                            |                  | 122               |          |
| (Increase) decrease in due from other funds   | 87                 |                               |                  | 87                |          |
| (Increase) decrease in due from component units   |                    | (14)                          |                  | (14)              |          |
| (Increase) decrease in loans and notes receivable   |                    | 74,793                        |                  | 74,793            |          |
| (Increase) decrease in prepaid expenses   | (20,000)           |                               | 14               |                   | (19,986) |
| (Increase) decrease in deferred outflows of resources - pensions                                      | (7,593)            | (6,639)                       | (7,150)          |                   | (21,382) |
| Increase (decrease) in accounts payable and accrued liabilities                                       | 104,262            | 2,445                         | 2,838            |                   | 109,545  |
| Increase (decrease) in intergovernmental payables   | (112)              | 4,886                         | (7)              |                   | 4,767    |
| Increase (decrease) in due to other funds   | 135                | 278                           | (43)             |                   | 370      |
| Increase (decrease) in unearned revenue   | 1,354              |                               |                  | 2,781             | 4,135    |
| Increase (decrease) in net pension liability  | 8,008              | 4,359                         | 7,724            |                   | 20,091   |
| Increase (decrease) in other liabilities  | (55)               | (1,431)                       | (49)             |                   | (1,535)  |
| Increase (decrease) in long-term annuity prizes payable   | 33,594             |                               |                  | 33,594            |          |
| Increase (decrease) in deferred inflows of resources - pensions                                       | 2,345              | 7,693                         | 2,305            |                   | 12,343   |
| Total adjustments   | 134,884            | 91,313                        | 8,708            |                   | 234,905  |
| <b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>   | <b>\$ 859,276</b>  | <b>\$ (17,142)</b>            | <b>\$ 11,935</b> | <b>\$ 854,069</b> |          |
| <b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>  |                    |                               |                  |                   |          |
| Gain (loss) on disposal of capital assets   |                    |                               | \$ (1)           | \$ (1)            |          |
| Transfer of assets from (to) other state funds  | \$ (8)             |                               |                  |                   | \$ (8)   |
| Increase (decrease) in fair value of investments  | 3,817              |                               |                  | (6)               | 3,811    |
| Interest accreted on investments  | 12,347             |                               |                  |                   | 12,347   |
| Interest accreted on long-term annuity prizes payable   | (12,347)           |                               |                  |                   | (12,347) |

**State of Illinois**

**Combining Statement of Net Position - Nonmajor Enterprise Funds**

**Student Assistance Commission**

June 30, 2015 (Expressed in Thousands)

|  | Federal Student<br>Loan Fund | Student Loan<br>Operation Fund | Purchase<br>Program Fund | Illinois<br>Designated<br>Account<br>Total |
|--|------------------------------|--------------------------------|--------------------------|--|
| <b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>                           |                              |                                |                          |  |
| Cash equity with State Treasurer   | \$ 44,559                    | \$ 40,729                      | \$ 14,698                | \$ 85,288                                  |
| Cash and cash equivalents  |                              |                                |                          | 14,698                                     |
| Securities lending collateral of State Treasurer                           | 16,744                       | 18,083                         |                          | 34,827                                     |
| Investments  |                              |                                | 4,018                    | 4,018                                      |
| Receivables, net:  |                              |                                |                          |  |
| Intergovernmental  | 22,792                       | 638                            |                          | 23,430                                     |
| Other  | 16                           | 18                             |                          | 34   |
| Due from other funds   | 1,926                        | 5,358                          |                          | 7,284                                      |
| Due from component units   |                              | 21                             |                          | 21   |
| Restricted assets:   |                              |                                |                          |  |
| Cash and cash equivalents  |                              |                                | 19,492                   | 19,492                                     |
| Other receivables, net   |                              |                                | 12,774                   | 12,774                                     |
| Loans and notes receivable, net  |                              |                                | 67,177                   | 67,177                                     |
| <b>Total current assets</b>  | <b>86,037</b>                | <b>64,847</b>                  | <b>118,159</b>           | <b>269,043</b>                             |
| Restricted loans and notes receivable, net                                 |                              |                                | 412,663                  | 412,663                                    |
| Capital assets not being depreciated                                       |                              | 250                            |                          | 250  |
| Capital assets being depreciated, net                                      |                              | 2,631                          |                          | 2,631                                      |
| <b>Total noncurrent assets</b>   | <b>2,881</b>                 | <b>412,663</b>                 | <b>415,544</b>           |  |
| <b>Total assets</b>  | <b>86,037</b>                | <b>67,728</b>                  | <b>530,822</b>           | <b>684,587</b>                             |
| Deferred outflows of resources - pensions                                  |                              | 12,017                         | 561                      | 12,578                                     |
| <b>Total assets and deferred outflows of resources</b>                     | <b>86,037</b>                | <b>79,745</b>                  | <b>531,383</b>           | <b>697,165</b>                             |
| <b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>                       |                              |                                |                          |  |
| Accounts payable and accrued liabilities                                   | 14,424                       | 837                            | 919                      | 16,180                                     |
| Intergovernmental payables   | 13,764                       |                                | 1,273                    | 15,037                                     |
| Due to other funds   | 2,736                        | 2,499                          | 2,305                    | 7,540                                      |
| Obligations under securities lending of State Treasurer                    | 16,744                       | 18,083                         |                          | 34,827                                     |
| Short-term notes payable   |                              |                                | 183,557                  | 183,557                                    |
| Current portion of long-term liabilities                                   |                              | 67                             | 6                        | 73   |
| <b>Total current liabilities</b>   | <b>47,668</b>                | <b>21,486</b>                  | <b>188,060</b>           | <b>257,214</b>                             |
| Noncurrent portion of long-term liabilities                                |                              | 91,290                         | 274,486                  | 365,776                                    |
| <b>Total liabilities</b>   | <b>47,668</b>                | <b>112,776</b>                 | <b>462,546</b>           | <b>622,990</b>                             |
| Deferred inflows of resources - unamortized deferred amounts on refundings |                              |                                | 45,141                   | 45,141                                     |
| Deferred inflows of resources - pensions                                   |                              | 3,233                          | 4,460                    | 7,693                                      |
| <b>Total liabilities and deferred inflows of resources</b>                 | <b>47,668</b>                | <b>116,009</b>                 | <b>512,147</b>           | <b>675,824</b>                             |
| <b>NET POSITION</b>  |                              |                                |                          |  |
| Net investment in capital assets   |                              | 2,881                          |                          | 2,881                                      |
| Restricted for:  |                              |                                |                          |  |
| Debt service   |                              |                                | 6,630                    | 6,630                                      |
| Education  | 38,369                       |                                |                          | 38,369                                     |
| Unrestricted   |                              | (39,145)                       | 12,606                   | (26,539)                                   |
| <b>Total net position</b>  | <b>\$ 38,369</b>             | <b>\$ (36,264)</b>             | <b>\$ 19,236</b>         | <b>\$ 21,341</b>                           |

***State of Illinois*****Combining Statement of Revenues, Expenses  
and Changes in Net Position - Nonmajor Enterprise Funds****Student Assistance Commission**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|  | Federal Student<br>Loan Fund | Student Loan<br>Operation Fund | Purchase<br>Program Fund | Illinois<br>Designated<br>Account | Total |
|--|------------------------------|--------------------------------|--------------------------|-----------------------------------|-------|
| <b>OPERATING REVENUES</b>                        |                              |                                |                          |                                   |       |
| Charges for sales and services                   | \$ 27,456                    | \$ 11,134                      |                          | \$ 38,590                         |       |
| Interest income pledged as revenue bond security |                              |                                | \$ 22,253                | \$ 22,253                         |       |
| <b>Total operating revenues</b>                  | <b>27,456</b>                | <b>11,134</b>                  | <b>22,253</b>            | <b>60,843</b>                     |       |
| <b>OPERATING EXPENSES</b>                        |                              |                                |                          |                                   |       |
| Cost of sales and services                       | 133,205                      | 8,118                          |                          | 141,323                           |       |
| Interest   |                              |                                | 218                      | 218                               |       |
| General and administrative                       |                              | 18,270                         | 9,103                    | 27,373                            |       |
| Depreciation                                     |                              | 384                            |                          | 384                               |       |
| <b>Total operating expenses</b>                  | <b>133,205</b>               | <b>26,772</b>                  | <b>9,321</b>             | <b>169,298</b>                    |       |
| <b>Operating income (loss)</b>                   | <b>(105,749)</b>             | <b>(15,638)</b>                | <b>12,932</b>            | <b>(108,455)</b>                  |       |
| <b>NONOPERATING REVENUES (EXPENSES)</b>          |                              |                                |                          |                                   |       |
| Interest and investment income                   | 157                          | 152                            |                          | 309                               |       |
| Federal government                               | 129,564                      |                                |                          | 129,564                           |       |
| Other expenses                                   |                              |                                | (5,500)                  | (5,500)                           |       |
| <b>Income (loss) before transfers</b>            | <b>23,972</b>                | <b>(15,486)</b>                | <b>7,432</b>             | <b>15,918</b>                     |       |
| Transfers-in                                     | 3,451                        | 27,155                         |                          | 30,606                            |       |
| Transfers-out                                    | (27,155)                     | (3,632)                        |                          | (30,787)                          |       |
| <b>Change in net position</b>                    | <b>268</b>                   | <b>8,037</b>                   | <b>7,432</b>             | <b>15,737</b>                     |       |
| Net position, July 1, 2014, as restated          | 38,101                       | (44,301)                       | 11,804                   | 5,604                             |       |
| <b>NET POSITION, JUNE 30, 2015</b>               | <b>\$ 38,369</b>             | <b>\$ (36,264)</b>             | <b>\$ 19,236</b>         | <b>\$ 21,341</b>                  |       |

**State of Illinois**

**Combining Statement of Cash Flows - Nonmajor Enterprise Funds**

**Student Assistance Commission**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|   | Federal<br>Student Loan<br>Fund | Student Loan<br>Operation Fund | Illinois<br>Designated<br>Account<br>Purchase<br>Program Fund | Total                     |
|---|---------------------------------|--------------------------------|---|---------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                                 |                                |   |                           |
| Cash received from sales and services   | \$ 146,865                      | \$ 10,491                      | \$ 157,356  |                           |
| Cash payments to suppliers for goods and services   |                                 | (3,327)                        | (3,078)   | (6,405)                   |
| Cash payments to employees for services   |                                 | (13,292)                       | (729)   | (14,021)                  |
| Cash receipts from student loan principal   |                                 |                                | 83,363  | 83,363                    |
| Cash receipts from student loan interest  |                                 |                                | 15,574  | 15,574                    |
| Cash payments for student loans issued  |                                 |                                | (4,111)   | (4,111)                   |
| Cash payments for other operating activities  | (245,534)                       | (3,364)                        |   | (248,898)                 |
| Net cash provided (used) by operating activities  | <u>(98,669)</u>                 | <u>(9,492)</u>                 | <u>91,019</u>   | <u>(17,142)</u>           |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>  |                                 |                                |   |                           |
| Principal paid on revenue bonds and other borrowings  |                                 |                                | (82,434)  | (82,434)                  |
| Interest paid on revenue bonds and other borrowings   |                                 |                                | (4,175)   | (4,175)                   |
| Grants received   | 131,325                         |                                |   | 131,325                   |
| Grants paid   |                                 |                                | (5,749)   | (5,749)                   |
| Transfers-in from other funds   | 3,153                           | 25,764                         |   | 28,917                    |
| Transfers-out to other funds  | (25,764)                        | (3,334)                        |   | (29,098)                  |
| Net cash provided (used) by noncapital financing activities   | <u>108,714</u>                  | <u>22,430</u>                  | <u>(92,358)</u>   | <u>38,786</u>             |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                                       |                                 |                                |   |                           |
| Acquisition and construction of capital assets  |                                 |                                | (260)   | (260)                     |
| Net cash provided (used) by capital and related financing activities                                  | <u>(260)</u>                    | <u>(260)</u>                   | <u>(260)</u>  | <u>(260)</u>              |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                                 |                                |   |                           |
| Purchase of investment securities   |                                 |                                | (4,018)   | (4,018)                   |
| Proceeds from sales and maturities of investment securities   |                                 |                                | 4,009   | 4,009                     |
| Interest and dividends on investments   | 153                             | 144                            | 5   | 302                       |
| Net cash provided (used) by investing activities  | <u>153</u>                      | <u>144</u>                     | <u>(4)</u>  | <u>293</u>                |
| <b>Net increase (decrease) in cash and cash equivalents</b>   | <b>10,198</b>                   | <b>12,822</b>                  | <b>(1,343)</b>  | <b>21,677</b>             |
| Cash and cash equivalents, July 1, 2014   | <u>34,361</u>                   | <u>27,907</u>                  | <u>35,533</u>   | <u>97,801</u>             |
| <b>CASH AND CASH EQUIVALENTS, JUNE 30, 2015</b>   | <b><u>\$ 44,559</u></b>         | <b><u>\$ 40,729</u></b>        | <b><u>\$ 34,190</u></b>                                       | <b><u>\$ 119,478</u></b>  |
| <b>Reconciliation of cash and cash equivalents to the Statement of Net Position:</b>                  |                                 |                                |   |                           |
| Total cash and cash equivalents per Statement of Net Position   |                                 |                                | \$ 14,698   | \$ 14,698                 |
| Add: cash equity with State Treasurer   | \$ 44,559                       | \$ 40,729                      |   | 85,288                    |
| Add: restricted cash equivalents  |                                 |                                | 19,492  | 19,492                    |
| <b>CASH AND CASH EQUIVALENTS, JUNE 30, 2015</b>   | <b><u>\$ 44,559</u></b>         | <b><u>\$ 40,729</u></b>        | <b><u>\$ 34,190</u></b>                                       | <b><u>\$ 119,478</u></b>  |
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b> |                                 |                                |   |                           |
| <b>OPERATING INCOME (LOSS)</b>  | <b>\$ (105,749)</b>             | <b>\$ (15,638)</b>             | <b>\$ 12,932</b>  | <b>\$ (108,455)</b>       |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |                                 |                                |   |                           |
| Depreciation  |                                 | 384                            |   | 384                       |
| Provision for uncollectible accounts  |                                 |                                | 3,183   | 3,183                     |
| Amortization  |                                 |                                | 1,399   | 1,399                     |
| Interest and investment income  |                                 |                                | (5)   | (5)                       |
| Interest expense  |                                 |                                | 218   | 218                       |
| Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:     |                                 |                                |   |                           |
| (Increase) decrease in accounts receivable  |                                 |                                | (381)   | (381)                     |
| (Increase) decrease in intergovernmental receivables  |                                 | 58                             |   | 58                        |
| (Increase) decrease in due from other funds   | (1)                             | 88                             |   | 87                        |
| (Increase) decrease in due from component units   |                                 | (14)                           |   | (14)                      |
| (Increase) decrease in loans and notes receivable   |                                 |                                | 74,793  | 74,793                    |
| (Increase) decrease in deferred outflows of resources - pensions                                      |                                 | (6,331)                        | (308)   | (6,639)                   |
| Increase (decrease) in accounts payable and accrued liabilities                                       | 2,195                           | 319                            | (69)  | 2,445                     |
| Increase (decrease) in intergovernmental payables   | 4,886                           |                                |   | 4,886                     |
| Increase (decrease) in due to other funds   |                                 | 349                            | (71)  | 278                       |
| Increase (decrease) in net pension liability  |                                 | 9,477                          | (5,118)   | 4,359                     |
| Increase (decrease) in other liabilities  |                                 | (1,417)                        | (14)  | (1,431)                   |
| Increase (decrease) in deferred inflows of resources - pensions                                       |                                 | 3,233                          | 4,460   | 7,693                     |
| Total adjustments   | <u>7,080</u>                    | <u>6,146</u>                   | <u>78,087</u>   | <u>91,313</u>             |
| <b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>   | <b><u>\$ (98,669)</u></b>       | <b><u>\$ (9,492)</u></b>       | <b><u>\$ 91,019</u></b>                                       | <b><u>\$ (17,142)</u></b> |

## **INTERNAL SERVICE FUNDS**

Internal Service Funds are maintained to account for the operations of State agencies which render services to other State agencies or governmental units on a cost-reimbursement basis.

### **SIGNIFICANT INTERNAL SERVICE FUNDS DESCRIPTIONS**

#### **Office of the Auditor General**

Audit Expense Fund--to account for the costs in association with conducting audits in accordance with the State Auditing Act.

#### **Department of Central Management Services**

State Garage Revolving Fund--to account for the operation and maintenance of State garages including the servicing and repair of all automotive equipment owned or controlled by the State. Revenues consist of charges from user agencies.

Statistical Services Revolving Fund--to account for the purchase, maintenance, and operation of electronic data processing and information devices used by State agencies. Revenues consist of charges from user agencies.

Communications Revolving Fund--to account for the expenses related to telecommunications services for State agencies. Revenues consist of charges from user agencies.

Facilities Management Revolving Fund--to account for rental, maintenance, and other expenses related to the use of buildings by State agencies. Revenues consist of charges from user agencies.

Professional Services Fund--to account for the cost of professional services rendered by the Department of Central Management Services on behalf of other agencies. Revenues consist of charges from user agencies.

Workers' Compensation Revolving Fund--to account for workers' compensation expenses of State employees. Revenues consist of charges from the funds which paid the employees during the employees' active service.

Health Insurance Reserve Fund--to account for the self-insurance medical and dental plan for State employees, retirees and qualified dependents. This fund records all contributions, appropriations, interest, dividends, and expenses related to the plan.

#### **Department of Corrections**

Working Capital Revolving Fund--to account for the income and expenses associated with the production by factories, farms and service programs at several State correctional facilities for use by other State agencies.

***State of Illinois*****Combining Statement of Net Position****Internal Service Funds**

June 30, 2015 (Expressed in Thousands)

|   | Auditor General  | Central Management Services | Corrections        |                                |                   |
|---|------------------|-----------------------------|--------------------|--------------------------------|-------------------|
|   |                  |                             | Audit Expense Fund | Working Capital Revolving Fund | Other             |
| <b>ASSETS</b>   |                  |                             |                    |                                |                   |
| Cash equity with State Treasurer                        | \$ 15,800        | \$ 269,768                  | \$ 1,929           | \$ 808                         | \$ 288,305        |
| Cash and cash equivalents                               |                  | 76,405                      |                    |                                | 76,405            |
| Securities lending collateral of State Treasurer        |                  | 77,961                      |                    |                                | 77,961            |
| Receivables, net:                                       |                  |                             |                    |                                |                   |
| Intergovernmental                                       |                  | 2,098                       | 45                 |                                | 2,143             |
| Other   |                  | 32,138                      | 514                | 14,190                         | 46,842            |
| Due from other funds                                    | 17,628           | 2,298,776                   | 15,721             | 6,283                          | 2,338,408         |
| Due from component units                                | 1,505            | 14,417                      | 43                 | 403                            | 16,368            |
| Inventories   |                  | 3,190                       | 6,625              | 1,594                          | 11,409            |
| Prepaid expenses  |                  |                             | 5                  |                                | 5                 |
| <b>Total current assets</b>                             | <b>34,933</b>    | <b>2,774,753</b>            | <b>24,882</b>      | <b>23,278</b>                  | <b>2,857,846</b>  |
| Capital assets not being depreciated                    |                  | 39,581                      |                    |                                | 39,581            |
| Capital assets being depreciated, net                   |                  | 261,371                     | 2,948              |                                | 264,319           |
| <b>Total noncurrent assets</b>                          | <b>34,933</b>    | <b>3,075,705</b>            | <b>27,830</b>      | <b>23,278</b>                  | <b>3,161,746</b>  |
| <b>TOTAL ASSETS</b>                                     |                  |                             |                    |                                |                   |
| <b>LIABILITIES</b>                                      |                  |                             |                    |                                |                   |
| Accounts payable and accrued liabilities                | 5,017            | 1,806,318                   | 2,788              | 5,193                          | 1,819,316         |
| Intergovernmental payables                              | 1                | 13,616                      | 35                 |                                | 13,652            |
| Due to other funds                                      | 2                | 32,836                      | 2,264              | 15,352                         | 50,454            |
| Due to component units                                  |                  | 275                         | 1                  |                                | 276               |
| Unearned revenue  |                  | 7,413                       |                    |                                | 7,413             |
| Obligations under securities lending of State Treasurer |                  | 77,961                      |                    |                                | 77,961            |
| Current portion of long-term liabilities                |                  | 116,094                     | 278                |                                | 116,372           |
| <b>Total current liabilities</b>                        | <b>5,020</b>     | <b>2,054,513</b>            | <b>5,366</b>       | <b>20,545</b>                  | <b>2,085,444</b>  |
| Noncurrent portion of long-term liabilities             |                  | 530,357                     | 1,030              |                                | 531,387           |
| <b>Total liabilities</b>                                | <b>5,020</b>     | <b>2,584,870</b>            | <b>6,396</b>       | <b>20,545</b>                  | <b>2,616,831</b>  |
| <b>NET POSITION</b>                                     |                  |                             |                    |                                |                   |
| Net investment in capital assets                        |                  | 288,982                     | 2,928              |                                | 291,910           |
| Restricted for debt service                             |                  | 4,326                       |                    |                                | 4,326             |
| Unrestricted  | 29,913           | 197,527                     | 18,506             | 2,733                          | 248,679           |
| <b>Total net position</b>                               | <b>\$ 29,913</b> | <b>\$ 490,835</b>           | <b>\$ 21,434</b>   | <b>\$ 2,733</b>                | <b>\$ 544,915</b> |

***State of Illinois*****Combining Statement of Revenues, Expenses  
and Changes in Net Position****Internal Service Funds**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|   | Auditor General    | Corrections                 |                                |                 | Total             |
|---|--------------------|-----------------------------|--------------------------------|-----------------|-------------------|
|   | Audit Expense Fund | Central Management Services | Working Capital Revolving Fund | Other           |                   |
| <b>OPERATING REVENUES</b>               |                    |                             |                                |                 |                   |
| Charges for sales and services          | \$ 25,039          | \$ 3,061,674                | \$ 51,761                      | \$ 17,998       | \$ 3,156,472      |
| Other                                   |                    | 468                         |                                |                 | 468               |
| <b>Total operating revenues</b>         | <b>25,039</b>      | <b>3,062,142</b>            | <b>51,761</b>                  | <b>17,998</b>   | <b>3,156,940</b>  |
| <b>OPERATING EXPENSES</b>               |                    |                             |                                |                 |                   |
| Cost of sales and services              | 22,790             | 437,820                     | 25,241                         | 16,297          | 502,148           |
| Benefit payments and refunds            |                    | 2,388,431                   |                                |                 | 2,388,431         |
| General and administrative              | 85,477             |                             | 22,801                         | 5               | 108,283           |
| Depreciation                            |                    | 29,789                      | 578                            |                 | 30,367            |
| Other                                   | 46                 |                             |                                |                 | 46                |
| <b>Total operating expenses</b>         | <b>22,790</b>      | <b>2,941,563</b>            | <b>48,620</b>                  | <b>16,302</b>   | <b>3,029,275</b>  |
| <b>Operating income (loss)</b>          | <b>2,249</b>       | <b>120,579</b>              | <b>3,141</b>                   | <b>1,696</b>    | <b>127,665</b>    |
| <b>NONOPERATING REVENUES (EXPENSES)</b> |                    |                             |                                |                 |                   |
| Interest and investment income          |                    | 780                         | 5                              | 64              | 849               |
| Interest expense                        |                    | (113,091)                   | (82)                           |                 | (113,173)         |
| Federal government                      |                    | 5,866                       |                                |                 | 5,866             |
| Other revenues                          |                    |                             | 893                            |                 | 893               |
| Other expenses                          |                    | (51)                        |                                |                 | (51)              |
| <b>Income (loss) before transfers</b>   | <b>2,249</b>       | <b>14,083</b>               | <b>3,957</b>                   | <b>1,760</b>    | <b>22,049</b>     |
| Contributions of capital assets         |                    | 6,560                       |                                |                 | 6,560             |
| <b>Change in net position</b>           | <b>2,249</b>       | <b>20,643</b>               | <b>3,957</b>                   | <b>1,760</b>    | <b>28,609</b>     |
| Net position, July 1, 2014              | 27,664             | 470,192                     | 17,477                         | 973             | 516,306           |
| <b>NET POSITION, JUNE 30, 2015</b>      | <b>\$ 29,913</b>   | <b>\$ 490,835</b>           | <b>\$ 21,434</b>               | <b>\$ 2,733</b> | <b>\$ 544,915</b> |

**State of Illinois**

**Combining Statement of Cash Flows**

**Internal Service Funds**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|  | Auditor General    | Central Management Services | Working Capital Revolving Fund | Other         | Corrections       | Total     |
|--|--------------------|-----------------------------|--------------------------------|---------------|-------------------|-----------|
|  | Audit Expense Fund |                             |                                |               |                   |           |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                    |                             |                                |               |                   |           |
| Cash received from sales and services  | \$ 2,026           | \$ 130,834                  | \$ 1,740                       |               | \$ 134,600        |           |
| Cash received from transactions with other funds                                     | 24,055             | 3,011,904                   | 46,647                         | \$ 12,304     | 3,094,910         |           |
| Cash payments to suppliers for goods and services                                    | (21,784)           | (2,705,157)                 | (38,168)                       | (12,868)      | (2,777,977)       |           |
| Cash payments to employees for services  | (808)              | (157,762)                   | (10,069)                       |               | (168,639)         |           |
| Cash payments for workers compensation   |                    | (93,117)                    |                                |               | (93,117)          |           |
| Cash receipts from other operating activities  |                    | 57,722                      | 944                            |               | 58,666            |           |
| Net cash provided (used) by operating activities                                     | 3,489              | 244,424                     | 1,094                          | (564)         | 248,443           |           |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>                               |                    |                             |                                |               |                   |           |
| Interest paid on other borrowings  |                    | (115,766)                   |                                | (99)          |                   | (115,865) |
| Grants received  |                    | 5,846                       |                                |               |                   | 5,846     |
| Net cash provided (used) by noncapital financing activities                          |                    | (109,920)                   |                                | (99)          |                   | (110,019) |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                      |                    |                             |                                |               |                   |           |
| Acquisition and construction of capital assets                                       |                    | (12,980)                    |                                | (960)         |                   | (13,940)  |
| Principal paid on capital debt   |                    | (3,545)                     |                                | (10)          |                   | (3,555)   |
| Interest paid on capital debt  |                    | (825)                       |                                | (4)           |                   | (829)     |
| Proceeds from sales of capital assets  |                    |                             | 16                             |               |                   | 16        |
| Net cash provided (used) by capital and related financing activities                 |                    | (17,350)                    |                                | (958)         |                   | (18,308)  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                    |                             |                                |               |                   |           |
| Proceeds from sale and maturities of investment securities                           |                    |                             |                                | 517           |                   | 517       |
| Interest and dividends on investments  |                    | 751                         |                                | 64            |                   | 815       |
| Net cash provided (used) by investing activities                                     |                    | 751                         |                                | 581           |                   | 1,332     |
| Net increase (decrease) in cash and cash equivalents                                 | 3,489              | 117,905                     | 37                             | 17            | 121,448           |           |
| Cash and cash equivalents, July 1, 2014  | 12,311             | 228,268                     | 1,892                          | 791           | 243,262           |           |
| <b>CASH AND CASH EQUIVALENTS, JUNE 30, 2015</b>                                      | <b>\$ 15,800</b>   | <b>\$ 346,173</b>           | <b>\$ 1,929</b>                | <b>\$ 808</b> | <b>\$ 364,710</b> |           |
| <b>Reconciliation of cash and cash equivalents to the statement of net position:</b> |                    |                             |                                |               |                   |           |
| Total cash and cash equivalents per statement of net position                        |                    | \$ 76,405                   |                                |               | \$ 76,405         |           |
| Add: cash equity with State Treasurer  | \$ 15,800          | 269,768                     | \$ 1,929                       | \$ 808        | 288,305           |           |
| <b>CASH AND CASH EQUIVALENTS, JUNE 30, 2015</b>                                      | <b>\$ 15,800</b>   | <b>\$ 346,173</b>           | <b>\$ 1,929</b>                | <b>\$ 808</b> | <b>\$ 364,710</b> |           |

(continued)

**State of Illinois**

**Combining Statement of Cash Flows**

**Internal Service Funds**

For the Year Ended June 30, 2015 (Expressed in Thousands)  
(continued)

|   | Auditor General    | Central Management Services | Corrections                    |                 |                   |
|---|--------------------|-----------------------------|--------------------------------|-----------------|-------------------|
|   | Audit Expense Fund |                             | Working Capital Revolving Fund | Other           | Total             |
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b> |                    |                             |                                |                 |                   |
| <b>OPERATING INCOME (LOSS)</b>  | \$ 2,249           | \$ 120,579                  | \$ 3,141                       | \$ 1,696        | \$ 127,665        |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |                    |                             |                                |                 |                   |
| Depreciation  |                    | 29,789                      | 578                            |                 | 30,367            |
| Provision for uncollectible accounts  |                    | 97                          |                                |                 | 97                |
| Miscellaneous income  |                    |                             | 944                            |                 | 944               |
| Changes in assets and liabilities:  |                    |                             |                                |                 |                   |
| (Increase) decrease in accounts receivable  | 23                 | (7,380)                     | (29)                           | (4,764)         | (12,150)          |
| (Increase) decrease in intergovernmental receivables  |                    | 417                         | 5                              |                 | 422               |
| (Increase) decrease in due from other funds   | 2,036              | 72,940                      | (3,346)                        | (805)           | 70,825            |
| (Increase) decrease in due from component units   | (1,017)            | (4,075)                     | (33)                           | (125)           | (5,250)           |
| (Increase) decrease in inventories  |                    | (1,231)                     | 919                            | (1,594)         | (1,906)           |
| (Increase) decrease in prepaid expenses   |                    |                             | 5                              |                 | 5                 |
| Increase (decrease) in accounts payable and accrued liabilities                                       | 197                | 28,592                      | (921)                          | (1,130)         | 26,738            |
| Increase (decrease) in intergovernmental payables   |                    | 4,537                       | 1                              | (1)             | 4,537             |
| Increase (decrease) in due to other funds   | 1                  | 502                         | (153)                          | 6,159           | 6,509             |
| Increase (decrease) in due to component units   |                    | 124                         | (1)                            |                 | 123               |
| Increase (decrease) in unearned revenue   |                    | 1,772                       |                                |                 | 1,772             |
| Increase (decrease) in other liabilities  |                    | (2,239)                     | (16)                           |                 | (2,255)           |
| Total adjustments   | 1,240              | 123,845                     | (2,047)                        | (2,260)         | 120,778           |
| <b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>   | <b>\$ 3,489</b>    | <b>\$ 244,424</b>           | <b>\$ 1,094</b>                | <b>\$ (564)</b> | <b>\$ 248,443</b> |

**NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES**

|  |         |       |         |
|--|---------|-------|---------|
| Gain (loss) on disposal of capital assets      | \$ (41) | \$ 12 | \$ (29) |
| Transfer of assets from (to) other state funds |         | 6,550 |         |

**State of Illinois**

**Combining Statement of Net Position - Internal Service Funds**

**Central Management Services**

June 30, 2015 (Expressed in Thousands)

|   | State Garage Revolving Fund | Statistical Services Revolving Fund | Communications Revolving Fund | Facilities Management Revolving Fund | Professional Services Fund | Workers' Compensation Revolving Fund | Health Insurance Reserve Fund | Total             |
|---|-----------------------------|-------------------------------------|-------------------------------|--------------------------------------|----------------------------|--------------------------------------|-------------------------------|-------------------|
| <b>ASSETS</b>   |                             |                                     |                               |                                      |                            |                                      |                               |                   |
| Cash equity with State Treasurer                        | \$ 11,903                   | \$ 23,314                           | \$ 8,236                      | \$ 12,930                            | \$ 8,487                   | \$ 26,449                            | \$ 178,449                    | \$ 269,768        |
| Cash and cash equivalents                               |                             |                                     |                               | 4,328                                |                            | 8,324                                | 63,753                        | 76,405            |
| Securities lending collateral of State Treasurer        |                             |                                     |                               | 4,074                                |                            | 9,598                                | 60,353                        | 77,961            |
| Receivables, net:                                       |                             |                                     | 745                           |                                      |                            |                                      | 1,353                         | 2,098             |
| Intergovernmental                                       |                             |                                     |                               |                                      |                            |                                      |                               |                   |
| Other   | 22                          | 20                                  | 1,698                         | 7                                    | 4                          | 9                                    | 30,378                        | 32,138            |
| Due from other funds                                    | 15,337                      | 66,600                              | 91,603                        | 68,125                               | 6,339                      | 590,191                              | 1,460,581                     | 2,298,776         |
| Due from component units                                | 4                           | 27                                  | 716                           | 135                                  |                            |                                      | 13,535                        | 14,417            |
| Inventories   | 3,190                       |                                     |                               |                                      |                            |                                      |                               | 3,190             |
| <b>Total current assets</b>                             | <b>30,456</b>               | <b>89,961</b>                       | <b>102,998</b>                | <b>89,599</b>                        | <b>18,766</b>              | <b>634,571</b>                       | <b>1,808,402</b>              | <b>2,774,753</b>  |
| Capital assets not being depreciated                    |                             |                                     |                               | 39,581                               |                            |                                      |                               | 39,581            |
| Capital assets being depreciated, net                   | 10,949                      | 18,449                              | 72,424                        | 159,545                              |                            |                                      | 4                             | 261,371           |
| <b>Total noncurrent assets</b>                          | <b>10,949</b>               | <b>18,449</b>                       | <b>72,424</b>                 | <b>199,126</b>                       |                            |                                      | <b>4</b>                      | <b>300,952</b>    |
| <b>Total assets</b>                                     | <b>41,405</b>               | <b>108,410</b>                      | <b>175,422</b>                | <b>288,725</b>                       | <b>18,766</b>              | <b>634,571</b>                       | <b>1,808,406</b>              | <b>3,075,705</b>  |
| <b>LIABILITIES</b>                                      |                             |                                     |                               |                                      |                            |                                      |                               |                   |
| Accounts payable and accrued liabilities                | 10,405                      | 10,709                              | 11,200                        | 26,277                               | 1,051                      | 1,045                                | 1,745,631                     | 1,806,318         |
| Intergovernmental payables                              | 36                          | 6,581                               | 4,561                         | 2,385                                | 15                         | 1                                    | 37                            | 13,616            |
| Due to other funds                                      | 988                         | 27,274                              | 867                           | 1,416                                | 213                        | 47                                   | 2,031                         | 32,836            |
| Due to component units                                  | 37                          |                                     | 86                            | 152                                  |                            |                                      |                               | 275               |
| Unearned revenue  |                             |                                     | 7,173                         | 240                                  |                            |                                      |                               | 7,413             |
| Obligations under securities lending of State Treasurer |                             |                                     |                               | 4,074                                | 3,936                      | 9,598                                | 60,353                        | 77,961            |
| Current portion of long-term liabilities                | 220                         | 522                                 | 68                            | 3,948                                | 51                         | 111,271                              | 14                            | 116,094           |
| <b>Total current liabilities</b>                        | <b>11,686</b>               | <b>45,086</b>                       | <b>23,955</b>                 | <b>38,492</b>                        | <b>5,266</b>               | <b>121,962</b>                       | <b>1,808,066</b>              | <b>2,054,513</b>  |
| Noncurrent portion of long-term liabilities             | 867                         | 3,973                               | 1,262                         | 11,056                               | 250                        | 512,609                              | 340                           | 530,357           |
| <b>Total liabilities</b>                                | <b>12,553</b>               | <b>49,059</b>                       | <b>25,217</b>                 | <b>49,548</b>                        | <b>5,516</b>               | <b>634,571</b>                       | <b>1,808,406</b>              | <b>2,584,870</b>  |
| <b>NET POSITION</b>                                     |                             |                                     |                               |                                      |                            |                                      |                               |                   |
| Net investment in capital assets                        | 10,949                      | 18,449                              | 72,424                        | 187,156                              |                            |                                      | 4                             | 288,982           |
| Restricted for debt service                             |                             |                                     |                               | 4,326                                |                            |                                      |                               | 4,326             |
| Unrestricted  | 17,903                      | 40,902                              | 77,781                        | 47,695                               | 13,250                     |                                      | (4)                           | 197,527           |
| <b>Total net position</b>                               | <b>\$ 28,852</b>            | <b>\$ 59,351</b>                    | <b>\$ 150,205</b>             | <b>\$ 239,177</b>                    | <b>\$ 13,250</b>           | <b>\$ -</b>                          | <b>\$ -</b>                   | <b>\$ 490,835</b> |

**State of Illinois**

**Combining Statement of Revenues, Expenses  
and Changes in Net Position - Internal Service Funds**  
**Central Management Services**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|   | State Garage Revolving Fund | Statistical Services Revolving Fund | Communications Revolving Fund | Facilities Management Revolving Fund | Professional Services Fund | Workers' Compensation Revolving Fund | Health Insurance Reserve Fund | Total             |
|---|-----------------------------|-------------------------------------|-------------------------------|--------------------------------------|----------------------------|--------------------------------------|-------------------------------|-------------------|
| <b>OPERATING REVENUES</b>               |                             |                                     |                               |                                      |                            |                                      |                               |                   |
| Charges for sales and services          | \$ 53,329                   | \$ 147,363                          | \$ 118,049                    | \$ 188,228                           | \$ 6,202                   | \$ 100,028                           | \$ 2,448,475                  | \$ 3,061,674      |
| Other                                   | 468                         |                                     |                               |                                      |                            |                                      |                               | 468               |
| <b>Total operating revenues</b>         | <b>53,797</b>               | <b>147,363</b>                      | <b>118,049</b>                | <b>188,228</b>                       | <b>6,202</b>               | <b>100,028</b>                       | <b>2,448,475</b>              | <b>3,062,142</b>  |
| <b>OPERATING EXPENSES</b>               |                             |                                     |                               |                                      |                            |                                      |                               |                   |
| Cost of sales and services              | 35,576                      | 132,486                             | 86,085                        | 173,549                              | 10,124                     |                                      |                               | 437,820           |
| Benefit payments and refunds            |                             |                                     |                               |                                      |                            | 100,117                              | 2,288,314                     | 2,388,431         |
| General and administrative              | 10,861                      | 1,898                               | 9,380                         | 9,093                                |                            |                                      | 54,245                        | 85,477            |
| Depreciation                            | 4,957                       | 4,905                               | 6,534                         | 13,389                               |                            |                                      | 4                             | 29,789            |
| Other                                   | 46                          |                                     |                               |                                      |                            |                                      |                               | 46                |
| <b>Total operating expenses</b>         | <b>51,440</b>               | <b>139,289</b>                      | <b>101,999</b>                | <b>196,031</b>                       | <b>10,124</b>              | <b>100,117</b>                       | <b>2,342,563</b>              | <b>2,941,563</b>  |
| <b>Operating income (loss)</b>          | <b>2,357</b>                | <b>8,074</b>                        | <b>16,050</b>                 | <b>(7,803)</b>                       | <b>(3,922)</b>             | <b>(89)</b>                          | <b>105,912</b>                | <b>120,579</b>    |
| <b>NONOPERATING REVENUES (EXPENSES)</b> |                             |                                     |                               |                                      |                            |                                      |                               |                   |
| Interest and investment income          |                             |                                     |                               | 59                                   | 52                         | 89                                   | 580                           | 780               |
| Interest expense                        | (6)                         | (6)                                 | (2)                           | (719)                                |                            |                                      | (112,358)                     | (113,091)         |
| Federal government                      |                             |                                     |                               |                                      |                            |                                      | 5,866                         | 5,866             |
| Other expenses                          | (14)                        | (2)                                 | (35)                          |                                      |                            |                                      |                               | (51)              |
| <b>Income (loss) before transfers</b>   | <b>2,337</b>                | <b>8,066</b>                        | <b>16,013</b>                 | <b>(8,463)</b>                       | <b>(3,870)</b>             | <b>-</b>                             | <b>-</b>                      | <b>14,083</b>     |
| Contributions of capital assets         | 124                         | 3,537                               |                               | 2,899                                |                            |                                      |                               | 6,560             |
| <b>Change in net position</b>           | <b>2,461</b>                | <b>11,603</b>                       | <b>16,013</b>                 | <b>(5,564)</b>                       | <b>(3,870)</b>             | <b>-</b>                             | <b>-</b>                      | <b>20,643</b>     |
| Net position, July 1, 2014              | 26,391                      | 47,748                              | 134,192                       | 244,741                              | 17,120                     |                                      |                               | 470,192           |
| <b>NET POSITION, JUNE 30, 2015</b>      | <b>\$ 28,852</b>            | <b>\$ 59,351</b>                    | <b>\$ 150,205</b>             | <b>\$ 239,177</b>                    | <b>\$ 13,250</b>           | <b>-</b>                             | <b>\$ -</b>                   | <b>\$ 490,835</b> |

**State of Illinois**

**Combining Statement of Cash Flows - Internal Service Funds**

**Central Management Services**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|   | State Garage<br>Revolving<br>Fund | Statistical<br>Services<br>Revolving<br>Fund | Communications<br>Revolving<br>Fund | Facilities<br>Management<br>Revolving<br>Fund | Professional<br>Services Fund | Workers'<br>Compensation<br>Revolving<br>Fund | Health<br>Insurance<br>Reserve Fund | Total             |
|---|-----------------------------------|--|-------------------------------------|---|-------------------------------|---|-------------------------------------|-------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                                   |  |                                     |   |                               |   |                                     |                   |
| Cash received from sales and services   | \$ 1,288                          | \$ 143,558                                   | \$ 16,716                           | \$ 788  | \$ 8,880                      | \$ 112,042                                    | \$ 130,834                          |                   |
| Cash received from transactions with other funds  | 53,083                            | (71,598)                                     | 86,675                              | 175,913                                       | (9,672)                       | 2,431,734                                     | 3,011,904                           |                   |
| Cash payments to suppliers for goods and services   | (29,916)                          | (64,863)                                     | (70,869)                            | (129,526)                                     | (9,073)                       | (2,384,503)                                   | (2,705,157)                         |                   |
| Cash payments to employees for services   | (18,571)                          |  | (26,957)                            | (42,280)                                      |                               |   | (5,091)                             | (157,762)         |
| Cash payments for workers compensation  |                                   |  |                                     |   |                               | (93,117)                                      |                                     | (93,117)          |
| Cash receipts from other operating activities   | 468                               |  |                                     |   |                               |   | 57,254                              | 57,722            |
| Net cash provided (used) by operating activities  | <u>6,352</u>                      | <u>7,097</u>                                 | <u>5,565</u>                        | <u>4,895</u>                                  | <u>(792)</u>                  | <u>9,871</u>                                  | <u>211,436</u>                      | <u>244,424</u>    |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>  |                                   |  |                                     |   |                               |   |                                     |                   |
| Interest paid on other borrowings   | (6)                               |  | (2)                                 |   |                               |   | (115,758)                           | (115,766)         |
| Grants received   |                                   |  |                                     |   |                               |   | 5,846                               | 5,846             |
| Net cash provided (used) by noncapital financing activities   | <u>(6)</u>                        | <u>(2)</u>                                   |                                     |   |                               |   | <u>(109,912)</u>                    | <u>(109,920)</u>  |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                                       |                                   |  |                                     |   |                               |   |                                     |                   |
| Acquisition and construction of capital assets  | (4,542)                           | (4,643)                                      | (3,690)                             | (105)   |                               |   |                                     | (12,980)          |
| Principal paid on capital debt  |                                   |  |                                     | (3,545)                                       |                               |   |                                     | (3,545)           |
| Interest paid on capital debt   |                                   |  |                                     | (825)   |                               |   |                                     | (825)             |
| Net cash provided (used) by capital and related financing activities                                  | <u>(4,542)</u>                    | <u>(4,643)</u>                               | <u>(3,690)</u>                      | <u>(4,475)</u>                                |                               |   |                                     | <u>(17,350)</u>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                                   |  |                                     |   |                               |   |                                     |                   |
| Interest and dividends on investments   |                                   |  |                                     | 59  | 51                            | 87  | 554                                 | 751               |
| Net cash provided (used) by investing activities  |                                   |  |                                     | <u>59</u>                                     | <u>51</u>                     | <u>87</u>                                     | <u>554</u>                          | <u>751</u>        |
| <b>Net increase (decrease) in cash and cash equivalents</b>   | <b>1,804</b>                      | <b>2,454</b>                                 | <b>1,873</b>                        | <b>479</b>                                    | <b>(741)</b>                  | <b>9,958</b>                                  | <b>102,078</b>                      | <b>117,905</b>    |
| Cash and cash equivalents, July 1, 2014   | 10,099                            | 20,860                                       | 6,363                               | 16,779  | 9,228                         | 24,815  | 140,124                             | 228,268           |
| <b>CASH AND CASH EQUIVALENTS, JUNE 30, 2015</b>   | <b>\$ 11,903</b>                  | <b>\$ 23,314</b>                             | <b>\$ 8,236</b>                     | <b>\$ 17,258</b>                              | <b>\$ 8,487</b>               | <b>\$ 34,773</b>                              | <b>\$ 242,202</b>                   | <b>\$ 346,173</b> |
| <b>Reconciliation of cash and cash equivalents to the statement of net position:</b>                  |                                   |  |                                     |   |                               |   |                                     |                   |
| Total cash and cash equivalents per statement of net position   |                                   |  |                                     | \$ 4,328                                      |                               | \$ 8,324                                      | \$ 63,753                           | \$ 76,405         |
| Add: cash equity with State Treasurer   | \$ 11,903                         | \$ 23,314                                    | \$ 8,236                            | 12,930  | \$ 8,487                      | 26,449  | 178,449                             | 269,768           |
| <b>CASH AND CASH EQUIVALENTS, JUNE 30, 2015</b>   | <b>\$ 11,903</b>                  | <b>\$ 23,314</b>                             | <b>\$ 8,236</b>                     | <b>\$ 17,258</b>                              | <b>\$ 8,487</b>               | <b>\$ 34,773</b>                              | <b>\$ 242,202</b>                   | <b>\$ 346,173</b> |
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b> |                                   |  |                                     |   |                               |   |                                     |                   |
| <b>OPERATING INCOME (LOSS)</b>  | <b>\$ 2,357</b>                   | <b>\$ 8,074</b>                              | <b>\$ 16,050</b>                    | <b>\$ (7,803)</b>                             | <b>\$ (3,922)</b>             | <b>\$ (89)</b>                                | <b>\$ 105,912</b>                   | <b>\$ 120,579</b> |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |                                   |  |                                     |   |                               |   |                                     |                   |
| Depreciation  | 4,957                             | 4,905  | 6,534                               | 13,389  |                               |   | 4                                   | 29,789            |
| Provision for uncollectible accounts  |                                   |  | 97                                  |   |                               |   |                                     | 97                |
| Changes in assets and liabilities:  |                                   |  |                                     |   |                               |   |                                     |                   |
| (Increase) decrease in accounts receivable  | 1                                 | (11)   | 1,026                               |   |                               |   | (8,396)                             | (7,380)           |
| (Increase) decrease in intergovernmental receivables  | 8                                 |  | 409                                 |   |                               |   |                                     | 417               |
| (Increase) decrease in due from other funds   | (801)                             | (10,205)                                     | (18,719)                            | (11,469)                                      | 2,678                         | 12,040  | 99,416                              | 72,940            |
| (Increase) decrease in due from component units   | 12                                | (9)  | 108                                 | (71)  |                               |   | (4,115)                             | (4,075)           |
| (Increase) decrease in inventories  | (1,231)                           |  |                                     |   |                               |   |                                     | (1,231)           |
| Increase (decrease) in accounts payable and accrued liabilities                                       | 1,547                             | 1,709  | (2,274)                             | 9,647   | 459                           | (227)   | 17,731                              | 28,592            |
| Increase (decrease) in intergovernmental payables   | 4                                 | 3,014  | 777                                 | 944   | 3                             | (1)   | (204)                               | 4,537             |
| Increase (decrease) in due to other funds   | (330)                             | (443)  | (61)                                | 206   | 3                             | 28  | 1,099                               | 502               |
| Increase (decrease) in due to component units   |                                   |  | 75                                  | 61  |                               | (4)   |                                     | 124               |
| Increase (decrease) in unearned revenue   |                                   |  |                                     | 1,743   | 29                            |   |                                     | 1,772             |
| Increase (decrease) in other liabilities  | (172)                             | 71   | (200)                               | (38)  | (9)                           | (1,880)                                       | (11)                                | (2,239)           |
| Total adjustments   | <u>3,995</u>                      | <u>(977)</u>                                 | <u>(10,485)</u>                     | <u>12,698</u>                                 | <u>3,130</u>                  | <u>9,960</u>                                  | <u>105,524</u>                      | <u>123,845</u>    |
| <b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>   | <b>\$ 6,352</b>                   | <b>\$ 7,097</b>                              | <b>\$ 5,565</b>                     | <b>\$ 4,895</b>                               | <b>\$ (792)</b>               | <b>\$ 9,871</b>                               | <b>\$ 211,436</b>                   | <b>\$ 244,424</b> |
| <b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>  |                                   |  |                                     |   |                               |   |                                     |                   |
| Gain (loss) on disposal of capital assets   | \$ (14)                           | \$ (2)                                       | \$ (25)                             |   |                               |   | \$ (41)                             |                   |
| Transfer of assets from (to) other state funds  | 124                               | 3,537  | (10)                                | \$ 2,899                                      |                               |   |                                     | 6,550             |

## **PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS**

The Pension (and Other Employee Benefit) Trust Funds are maintained to account for the resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans and other employee benefit plans.

### **PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS DESCRIPTIONS**

#### **Department of Central Management Services**

Deferred Compensation Plan--to account for the assets held in the State's Internal Revenue Code Section 457 Plan. All employees of the State are eligible to voluntarily elect to contribute a portion of their compensation to the Plan through payroll deductions.

Teacher Health Insurance Security--to provide health benefits for the Teachers' Retirement System recipient and dependent beneficiaries. Premiums are collected from retired and active teachers and the insurance plan is administered by private companies.

Community College Health Insurance Security--to provide health benefits for the retirees of community colleges in the State of Illinois and dependent beneficiaries. Premiums are collected from retired and active teachers and the insurance plan is administered by private companies.

#### **General Assembly Retirement System, Judges' Retirement System, State Employees' Retirement System, Teachers' Retirement System and State Universities Retirement System**

See Note 16 for description of retirement systems.

**State of Illinois**

**Combining Statement of Fiduciary Net Position  
Pension (and Other Employee Benefit) Trust Funds**

June 30, 2015 (Expressed in Thousands)

|   | Central Management Services |                                   |   |                                    |                           |                                    |
|---|-----------------------------|-----------------------------------|---|------------------------------------|---------------------------|------------------------------------|
|   | Deferred Compensation Plan  | Teacher Health Insurance Security | Community College Health Insurance Security | General Assembly Retirement System | Judges' Retirement System | State Employees' Retirement System |
| <b>ASSETS</b>   |                             |                                   |   |                                    |                           |                                    |
| Cash equity with State Treasurer                        | \$ 2,920                    | \$ 38,823                         | \$ 949                                      | \$ 4,904                           | \$ 33,161                 | \$ 170,646                         |
| Cash and cash equivalents                               | 2,873                       | 13,115                            | 1,079                                       |                                    |                           |                                    |
| Securities lending collateral of State Treasurer        | 1,375                       | 13,586                            | 565   | 2,174                              | 12,776                    | 64,779                             |
| Investments:  |                             |                                   |   |                                    |                           |                                    |
| Equities  | 3,496,282                   |                                   |   |                                    |                           |                                    |
| Fixed income  | 123,061                     |                                   |   |                                    |                           |                                    |
| Private equity  |                             |                                   |   |                                    |                           |                                    |
| Real estate   |                             |                                   |   |                                    |                           |                                    |
| Other   | 466,471                     |                                   |   |                                    |                           |                                    |
| Equity in Illinois State Board of Investments           |                             |                                   |   | 49,165                             | 795,296                   | 14,967,254                         |
| Securities lending collateral                           |                             |                                   |   |                                    |                           |                                    |
| Receivables, net:                                       |                             |                                   |   |                                    |                           |                                    |
| Members   |                             | 5,767                             | 253   | 5                                  | 91                        | 10,922                             |
| Employers   |                             | 4,297                             | 254   |                                    |                           |                                    |
| Investment income                                       | 1                           | 13                                | 1   | 2                                  | 12                        | 63                                 |
| Intergovernmental                                       |                             | 312                               | 28  |                                    |                           |                                    |
| Pending investment sales                                |                             |                                   |   |                                    |                           |                                    |
| Other   | 628                         | 11,086                            | 1,211                                       | 2                                  | 17                        | 7,634                              |
| Due from other funds                                    |                             |                                   |   |                                    | 95                        | 91                                 |
| Due from primary government funds                       |                             | 16,831                            | 372   | 659                                | 5,583                     | 110,038                            |
| Due from component units                                |                             |                                   |   |                                    |                           |                                    |
| Prepaid expenses  |                             |                                   |   |                                    |                           |                                    |
| Loans and notes receivable, net                         | 34,280                      |                                   |   |                                    |                           |                                    |
| Capital assets not being depreciated                    |                             |                                   |   |                                    |                           | 971                                |
| Capital assets being depreciated, net                   |                             |                                   |   | 9                                  | 27                        | 4,301                              |
| <b>Total assets</b>                                     | <b>4,127,891</b>            | <b>103,830</b>                    | <b>4,712</b>                                | <b>56,920</b>                      | <b>847,058</b>            | <b>15,336,699</b>                  |
| <b>LIABILITIES</b>                                      |                             |                                   |   |                                    |                           |                                    |
| Accounts payable and accrued liabilities                | 803                         | 151,581                           | 30,325                                      | 40                                 | 260                       | 8,271                              |
| Intergovernmental payables                              | 2                           | 2                                 |   |                                    |                           |                                    |
| Due to other funds                                      |                             |                                   |   | 117                                | 69                        |                                    |
| Due to primary government funds                         | 92                          | 60                                | 11  |                                    |                           | 3,713                              |
| Obligations under securities lending of State Treasurer | 1,375                       | 13,586                            | 565   | 2,174                              | 12,776                    | 64,779                             |
| Securities lending collateral                           |                             |                                   |   |                                    |                           |                                    |
| Payable to brokers for unsettled trades                 |                             |                                   |   |                                    |                           |                                    |
| Long term obligations:                                  |                             |                                   |   |                                    |                           |                                    |
| Due within one year                                     |                             | 13                                |   |                                    |                           | 113                                |
| Due subsequent to one year                              | 158                         | 72                                | 4   | 15                                 | 43                        | 957                                |
| <b>Total liabilities</b>                                | <b>2,430</b>                | <b>165,314</b>                    | <b>30,905</b>                               | <b>2,346</b>                       | <b>13,148</b>             | <b>77,833</b>                      |
| <b>NET POSITION</b>                                     |                             |                                   |   |                                    |                           |                                    |
| Restricted for:   |                             |                                   |   |                                    |                           |                                    |
| Pension benefits  |                             |                                   |   | 54,574                             | 833,910                   | 15,258,866                         |
| Defined contribution                                    | 4,125,461                   |                                   |   |                                    |                           |                                    |
| Unrestricted  |                             | (61,484)                          | (26,193)                                    |                                    |                           |                                    |
| <b>Total net position</b>                               | <b>\$ 4,125,461</b>         | <b>\$ (61,484)</b>                | <b>\$ (26,193)</b>                          | <b>\$ 54,574</b>                   | <b>\$ 833,910</b>         | <b>\$ 15,258,866</b>               |

**State Universities Retirement  
System**

| <b>Teachers'<br/>Retirement<br/>System</b> | <b>Defined<br/>Benefit</b> | <b>Defined<br/>Contribution</b> | <b>Total</b>         |
|--|----------------------------|---------------------------------|----------------------|
| \$ 44,922                                  |                            |                                 | \$ 296,325           |
| 275,567                                    | \$ 749,162                 |                                 | 1,041,796            |
| 55,448                                     |                            |                                 | 150,703              |
| 18,475,666                                 | 11,243,566                 | \$ 979,943                      | 34,195,457           |
| 8,697,165                                  | 3,744,699                  | 185,114                         | 12,750,039           |
| 5,281,074                                  |                            |                                 | 5,281,074            |
| 6,255,858                                  | 872,953                    | 27,787                          | 7,156,598            |
| 7,115,122                                  | 948,566                    | 555,388                         | 9,085,547            |
|  |                            |                                 | 15,811,715           |
| 2,888,069                                  | 752,561                    |                                 | 3,640,630            |
| 52,436                                     | 7,674                      | 3,368                           | 80,516               |
| 13,621                                     | 1,400                      | 1,954                           | 21,526               |
| 113,825                                    | 42,333                     |                                 | 156,250              |
|  |                            |                                 | 340                  |
| 5,219,466                                  | 292,240                    |                                 | 5,511,706            |
|  |                            |                                 | 20,578               |
|  |                            |                                 | 186                  |
| 344,060                                    | 181,803                    |                                 | 659,346              |
|  | 3,058                      |                                 | 3,058                |
| 4,021                                      | 158                        |                                 | 4,179                |
|  |                            |                                 | 34,280               |
| 238  | 532                        |                                 | 1,741                |
| 3,710                                      | 5,637                      |                                 | 13,684               |
| 54,840,268                                 | 18,846,342                 | 1,753,554                       | 95,917,274           |
| 60,391                                     | 28,950                     |                                 | 280,621              |
|  |                            |                                 | 4                    |
|  |                            |                                 | 186                  |
| 32   |                            | 3,908                           |                      |
| 55,448                                     |                            |                                 | 150,703              |
| 2,888,085                                  | 752,410                    |                                 | 3,640,495            |
| 5,427,366                                  | 600,791                    |                                 | 6,028,157            |
| 168  | 108                        |                                 | 402                  |
| 1,862                                      | 1,115                      |                                 | 4,226                |
| 8,433,352                                  | 1,383,374                  |                                 | 10,108,702           |
| 46,406,916                                 | 17,462,968                 |                                 | 80,017,234           |
|  |                            | 1,753,554                       | 5,879,015            |
|  |                            |                                 | (87,677)             |
| <b>\$ 46,406,916</b>                       | <b>\$ 17,462,968</b>       | <b>\$ 1,753,554</b>             | <b>\$ 85,808,572</b> |

**State of Illinois**

**Combining Statement of Changes in Fiduciary Net Position  
Pension (and Other Employee Benefit) Trust Funds**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|  | Central Management Services |                                   |   | General Assembly Retirement System | Judges' Retirement System | State Employees' Retirement System |
|--|-----------------------------|-----------------------------------|---|------------------------------------|---------------------------|------------------------------------|
|  | Deferred Compensation Plan  | Teacher Health Insurance Security | Community College Health Insurance Security |                                    |                           |                                    |
| <b>ADDITIONS</b>                                     |                             |                                   |   |                                    |                           |                                    |
| Contributions:                                       |                             |                                   |   |                                    |                           |                                    |
| Employer State                                       |                             | \$ 81,415                         | \$ 4,295                                    | \$ 15,871                          | \$ 134,040                | \$ 1,804,319                       |
| Members:   |                             | \$ 100,983                        | \$ 4,479                                    |                                    |                           |                                    |
| Employees  | \$ 166,938                  | 109,413                           | 4,295                                       | 1,487                              | 15,431                    | 266,139                            |
| Retirees   |                             | 124,140                           | 12,209                                      |                                    |                           |                                    |
| Federal Medicare Part D                              |                             | 2,760                             | 271   |                                    |                           |                                    |
| Other  | 6,180                       | 108                               |   |                                    |                           |                                    |
| Total contributions                                  | 173,118                     | 418,819                           | 25,549                                      | 17,358                             | 149,471                   | 2,070,458                          |
| Investment income:                                   |                             |                                   |   |                                    |                           |                                    |
| Interest and other investment income                 | 209,406                     | 161                               | 9   | 1,662                              | 25,460                    | 483,264                            |
| Net increase (decrease) in fair value of investments | (82,149)                    |                                   |   | 769                                | 12,764                    | 240,297                            |
| Reimbursements of expenses                           |                             |                                   |   |                                    |                           |                                    |
| not separable from investment income                 | 3,545                       |                                   |   |                                    |                           |                                    |
| Less investment expense                              | (2,058)                     |                                   |   | (143)                              | (2,215)                   | (42,184)                           |
| Net investment income                                | 128,744                     | 161                               | 9   | 2,288                              | 36,009                    | 681,377                            |
| <b>Total additions</b>                               | <b>301,862</b>              | <b>418,980</b>                    | <b>25,558</b>                               | <b>19,646</b>                      | <b>185,480</b>            | <b>2,751,835</b>                   |
| <b>DEDUCTIONS</b>                                    |                             |                                   |   |                                    |                           |                                    |
| Benefit payments                                     | 319,652                     | 384,492                           | 31,138                                      | 21,275                             | 125,654                   | 2,034,858                          |
| Refunds  | 59                          |                                   |   | 192                                | 946                       | 23,129                             |
| Depreciation   |                             |                                   |   | 1                                  | 3                         | 628                                |
| General and administrative                           | 3,124                       | 8,417                             | 2,000                                       | 393                                | 980                       | 15,919                             |
| Other  | 1,484                       |                                   |   |                                    |                           |                                    |
| <b>Total deductions</b>                              | <b>324,319</b>              | <b>392,909</b>                    | <b>33,138</b>                               | <b>21,861</b>                      | <b>127,583</b>            | <b>2,074,534</b>                   |
| Change in net position                               |                             |                                   |   |                                    |                           |                                    |
| Restricted for:                                      |                             |                                   |   |                                    |                           |                                    |
| Pension benefits                                     |                             |                                   |   | (2,215)                            | 57,897                    | 677,301                            |
| Retiree health insurance                             |                             |                                   |   |                                    |                           |                                    |
| benefits (unrestricted deficit)                      |                             | 26,071                            | (7,580)                                     |                                    |                           |                                    |
| Defined contribution                                 | (22,457)                    |                                   |   |                                    |                           |                                    |
| Net position, July 1, 2014                           | 4,147,918                   | (87,555)                          | (18,613)                                    | 56,789                             | 776,013                   | 14,581,565                         |
| <b>NET POSITION, JUNE 30, 2015</b>                   | <b>\$ 4,125,461</b>         | <b>\$ (61,484)</b>                | <b>\$ (26,193)</b>                          | <b>\$ 54,574</b>                   | <b>\$ 833,910</b>         | <b>\$ 15,258,866</b>               |

**State Universities Retirement  
System**

| <b>Teachers'<br/>Retirement<br/>System</b> | <b>Defined<br/>Benefit</b> | <b>Defined<br/>Contribution</b> | <b>Total</b>             |
|--|----------------------------|---------------------------------|--------------------------|
| \$ 144,820<br>3,376,878                    | \$ 39,934<br>1,488,592     | \$ 6,725<br>55,609              | \$ 427,100<br>6,830,860  |
| 935,451                                    | 267,682                    | 72,328                          | 1,839,164<br>136,349     |
| 1,558                                      |                            |                                 | 3,031<br>7,846           |
| 4,458,707                                  | 1,796,208                  | 134,662                         | 9,244,350                |
| 1,345,883                                  | 334,047                    |                                 | 2,399,892                |
| 753,800                                    | 225,280                    | 90,461                          | 1,241,222                |
| (329,133)                                  | (56,127)                   |                                 | 3,545<br>(431,860)       |
| 1,770,550                                  | 503,200                    | 90,461                          | 3,212,799                |
| 6,229,257                                  | 2,299,408                  | 225,123                         | 12,457,149               |
| 5,536,399<br>88,638                        | 2,129,978<br>83,716        | 30,866<br>24,928                | 10,614,312<br>221,608    |
| 1,161<br>20,526                            | 454<br>13,615              |                                 | 2,247<br>65,440<br>1,484 |
| 5,646,724                                  | 2,227,763                  | 56,260                          | 10,905,091               |
| 582,533                                    | 71,645                     |                                 | 1,387,161                |
|  |                            | 18,491                          |                          |
|  | 168,863                    |                                 | 146,406                  |
| 45,824,383                                 | 17,391,323                 | 1,584,691                       | 84,256,514               |
| \$ 46,406,916                              | \$ 17,462,968              | \$ 1,753,554                    | \$ 85,808,572            |

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## **PRIVATE-PURPOSE TRUST FUNDS**

Private-Purpose Trust Funds are maintained to account for resources legally held in trust for use by individuals, private organizations and other governments. There is no requirement that any portion of these resources be preserved as capital.

### **SIGNIFICANT PRIVATE-PURPOSE TRUST FUND DESCRIPTION**

#### **Treasurer**

College Savings Pool Fund--to account for assets held by the Bright Start and Bright Directions College Savings Programs, qualified State tuition programs under Section 529 of the Internal Revenue Code. The programs provide an opportunity for investors to invest on a tax-favored basis toward the qualified higher education expenses of a designated beneficiary associated with attending an institution of higher education.

***State of Illinois*****Combining Statement of Fiduciary Net Position****Private-Purpose Trust Funds**

June 30, 2015 (Expressed in Thousands)

|   | Treasurer        | College   | Savings Pool | Fund         | Other | Total            |
|---|------------------|-----------|--------------|--------------|-------|------------------|
| <b>ASSETS</b>   |                  |           |              |              |       |                  |
| Cash equity with State Treasurer  |                  | \$        |              | 1,241        | \$    | 1,241            |
| Cash and cash equivalents   |                  |           |              | 63           |       | 571,064          |
| Securities lending collateral of State Treasurer                                |                  |           |              | 556          |       | 556              |
| Investments:  |                  |           |              |              |       |                  |
| Equities  | 4,670,052        |           |              | 375          |       | 4,670,427        |
| Fixed income  | 2,364,669        |           |              | 156          |       | 2,364,825        |
| Investment income receivables, net  | 16,284           |           |              |              |       | 16,284           |
| Loans and notes receivable, net   |                  |           |              | 39           |       | 39               |
| <b>Total assets</b>   | <b>7,622,006</b> |           |              | <b>2,430</b> |       | <b>7,624,436</b> |
| <b>LIABILITIES</b>  |                  |           |              |              |       |                  |
| Accounts payable and accrued liabilities  |                  |           | 2,294        |              |       | 2,294            |
| Obligations under securities lending of State Treasurer                         |                  |           |              | 556          |       | 556              |
| Other liabilities   | 12,617           |           |              |              |       | 12,617           |
| <b>Total liabilities</b>  | <b>14,911</b>    |           |              | <b>556</b>   |       | <b>15,467</b>    |
| <b>NET POSITION</b>   |                  |           |              |              |       |                  |
| Net position restricted for individuals,<br>organizations and other governments | \$               | 7,607,095 | \$           | 1,874        | \$    | 7,608,969        |

***State of Illinois*****Combining Statement of Changes in Fiduciary Net Position****Private-Purpose Trust Funds**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|   | Treasurer           | College         | Savings Pool | Fund | Other | Total               |
|---|---------------------|-----------------|--------------|------|-------|---------------------|
| <b>ADDITIONS</b>  |                     |                 |              |      |       |                     |
| Contributions:  |                     |                 |              |      |       |                     |
| Participants  | \$ 2,745,855        |                 |              |      |       | \$ 2,745,855        |
| Other   |                     | \$ 20           |              |      |       | 20                  |
| Total contributions   | 2,745,855           | 20              |              |      |       | 2,745,875           |
| Investment income:  |                     |                 |              |      |       |                     |
| Interest and other investment income  | 118,170             | 5               |              |      |       | 118,175             |
| Net increase in fair value of investments   | 103,999             | 15              |              |      |       | 104,014             |
| Net investment income   | 222,169             | 20              |              |      |       | 222,189             |
| <b>Total additions</b>  | <b>2,968,024</b>    | <b>40</b>       |              |      |       | <b>2,968,064</b>    |
| <b>DEDUCTIONS</b>   |                     |                 |              |      |       |                     |
| Payments in accordance with trust agreements  | 2,212,332           |                 |              |      |       | 2,212,332           |
| General and administrative  | 25,259              | 13              |              |      |       | 25,272              |
| <b>Total deductions</b>   | <b>2,237,591</b>    | <b>13</b>       |              |      |       | <b>2,237,604</b>    |
| Change in net position restricted for individuals,<br>organizations and other governments | 730,433             | 27              |              |      |       | 730,460             |
| Net position, July 1, 2014  | 6,876,662           | 1,847           |              |      |       | 6,878,509           |
| <b>NET POSITION, JUNE 30, 2015</b>  | <b>\$ 7,607,095</b> | <b>\$ 1,874</b> |              |      |       | <b>\$ 7,608,969</b> |

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## **AGENCY FUNDS**

Agency funds are maintained to account for resources held by the State in a purely custodial capacity.

### **SIGNIFICANT AGENCY FUNDS DESCRIPTIONS**

#### **Department of Insurance**

Security Deposit Fund--to hold securities on deposit by domestic and certain foreign domiciled insurance companies in the State for protection of all policyholders, policy obligations, and creditors of the companies.

#### **Department of Healthcare and Family Services**

Child Support Enforcement Trust Administrative Fund--to account for collections of child support payments on behalf of non-TANF child support clients to the appropriate non-TANF recipient.

#### **Department of Revenue**

Home Rule Municipal Retailers Occupation Tax Fund--to receive and record monies collected from a tax imposed upon all persons, in such municipality, in the business of selling tangible personal property.

Home Rule County Retailers Occupation Tax Fund--to receive and record monies collected from a tax imposed upon all persons, in such county, in the business of selling tangible personal property.

Metropolitan Pier and Exposition Authority Trust Fund--to receive and record monies obtained under the Metropolitan Pier and Exposition Authority Act.

Municipal Telecommunications Fund--to receive monies collected under the Simplified Municipal Telecommunications Act to be paid to the municipalities who imposed the tax under the Act.

RTA Sales Tax Trust Fund--to receive and record deposits of the RTA Sales Tax.

***State of Illinois*****Combining Statement of Fiduciary Net Position****Agency Funds**

June 30, 2015 (Expressed in Thousands)

|   | <b>Insurance</b>             | <b>Healthcare and Family Services</b> |                    |                   |                     |              |              |
|---|------------------------------|---------------------------------------|--------------------|-------------------|---------------------|--------------|--------------|
|   |                              | <b>Child Support</b>                  | <b>Enforcement</b> | <b>Trust</b>      |                     |              |              |
|   | <b>Security Deposit Fund</b> | <b>Administrative Fund</b>            |                    |                   | <b>Revenue</b>      | <b>Other</b> | <b>Total</b> |
| <b>ASSETS</b>   |                              |                                       |                    |                   |                     |              |              |
| Cash equity with State Treasurer                        |                              | \$ 15,492                             | \$ 340,256         | \$ 107,561        | \$ 463,309          |              |              |
| Cash and cash equivalents                               | \$ 2,068                     | \$ 634                                |                    | \$ 21,646         |                     | \$ 24,348    |              |
| Securities lending collateral of State Treasurer        |                              |                                       | \$ 98,838          | \$ 20,944         |                     | \$ 119,782   |              |
| Investments   | 957,916                      |                                       |                    | \$ 28,747         |                     | \$ 986,663   |              |
| Receivables, net:                                       |                              |                                       |                    |                   |                     |              |              |
| Taxes   |                              |                                       | \$ 200,290         | \$ 33,498         |                     | \$ 233,788   |              |
| Intergovernmental                                       |                              |                                       |                    |                   | \$ 589              |              | \$ 589       |
| Other   |                              | 207,149                               | 95                 | 936               |                     | \$ 208,180   |              |
| Due from primary government funds                       |                              |                                       | \$ 58,629          | \$ 3,256          |                     | \$ 61,885    |              |
| Other assets  |                              |                                       |                    | \$ 110            |                     | \$ 110       |              |
| <b>Total assets</b>                                     | <b>\$ 959,984</b>            | <b>\$ 223,275</b>                     | <b>\$ 698,108</b>  | <b>\$ 217,287</b> | <b>\$ 2,098,654</b> |              |              |
| <b>LIABILITIES</b>                                      |                              |                                       |                    |                   |                     |              |              |
| Accounts payable and accrued liabilities                |                              | \$ 16,460                             | \$ 9,881           | \$ 21,776         | \$ 48,117           |              |              |
| Intergovernmental payables                              |                              |                                       | \$ 589,389         | \$ 122,061        |                     | \$ 711,450   |              |
| Due to component units                                  |                              |                                       |                    |                   | \$ 38               |              | \$ 38        |
| Obligations under securities lending of State Treasurer |                              |                                       | \$ 98,838          | \$ 20,944         |                     | \$ 119,782   |              |
| Depository and other liabilities                        | \$ 959,984                   | 206,815                               |                    | \$ 52,468         |                     | \$ 1,219,267 |              |
| <b>Total liabilities</b>                                | <b>\$ 959,984</b>            | <b>\$ 223,275</b>                     | <b>\$ 698,108</b>  | <b>\$ 217,287</b> | <b>\$ 2,098,654</b> |              |              |

**State of Illinois**

**Combining Statement of Changes in Assets and Liabilities**

**Agency Funds**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|   | Balance at<br>July 1, 2014 | Additions           | Deletions           | Balance at<br>June 30, 2015 |
|---|----------------------------|---------------------|---------------------|-----------------------------|
| <b>Agency/Fund</b>                                      |                            |                     |                     |                             |
| <b>Insurance:</b>                                       |                            |                     |                     |                             |
| <b>Security Deposit Fund</b>                            |                            |                     |                     |                             |
| <b>Assets</b>   |                            |                     |                     |                             |
| Cash and cash equivalents                               | \$ 3,685                   | \$ 32,475           | \$ 34,092           | \$ 2,068                    |
| Investments   | 948,370                    | 185,829             | 176,283             | 957,916                     |
| <b>Total assets</b>                                     | <u>\$ 952,055</u>          | <u>\$ 218,304</u>   | <u>\$ 210,375</u>   | <u>\$ 959,984</u>           |
| <b>Liabilities</b>                                      |                            |                     |                     |                             |
| Depository and other liabilities                        | \$ 952,055                 | \$ 218,304          | \$ 210,375          | \$ 959,984                  |
| <b>Total liabilities</b>                                | <u>\$ 952,055</u>          | <u>\$ 218,304</u>   | <u>\$ 210,375</u>   | <u>\$ 959,984</u>           |
| <b>Healthcare and Family Services:</b>                  |                            |                     |                     |                             |
| <b>Child Support Enforcement Trust</b>                  |                            |                     |                     |                             |
| <b>Administrative Fund</b>                              |                            |                     |                     |                             |
| <b>Assets</b>   |                            |                     |                     |                             |
| Cash equity with State Treasurer                        | \$ 14,832                  | \$ 146,227          | \$ 145,567          | \$ 15,492                   |
| Cash and cash equivalents                               | 371                        | 82,834              | 82,571              | 634                         |
| Other receivables, net                                  | 202,021                    | 151,355             | 146,227             | 207,149                     |
| <b>Total assets</b>                                     | <u>\$ 217,224</u>          | <u>\$ 380,416</u>   | <u>\$ 374,365</u>   | <u>\$ 223,275</u>           |
| <b>Liabilities</b>                                      |                            |                     |                     |                             |
| Accounts payable and accrued liabilities                | \$ 15,223                  | \$ 18,005           | \$ 16,768           | \$ 16,460                   |
| Depository and other liabilities                        | 202,001                    | 216,184             | 211,370             | 206,815                     |
| <b>Total liabilities</b>                                | <u>\$ 217,224</u>          | <u>\$ 234,189</u>   | <u>\$ 228,138</u>   | <u>\$ 223,275</u>           |
| <b>Revenue:</b>   |                            |                     |                     |                             |
| <b>Assets</b>   |                            |                     |                     |                             |
| Cash equity with State Treasurer                        | \$ 324,752                 | \$ 2,915,304        | \$ 2,899,800        | \$ 340,256                  |
| Securities lending collateral of State Treasurer        | 107,790                    | 1,443,052           | 1,452,004           | 98,838                      |
| Taxes receivable, net                                   | 198,349                    | 2,764,539           | 2,762,598           | 200,290                     |
| Other receivables, net                                  | 78                         | 878                 | 861                 | 95                          |
| Due from primary government funds                       | 73,551                     | 136,923             | 151,845             | 58,629                      |
| <b>Total assets</b>                                     | <u>\$ 704,520</u>          | <u>\$ 7,260,696</u> | <u>\$ 7,267,108</u> | <u>\$ 698,108</u>           |
| <b>Liabilities</b>                                      |                            |                     |                     |                             |
| Accounts payable and accrued liabilities                | \$ 9,672                   | \$ 9,881            | \$ 9,672            | \$ 9,881                    |
| Intergovernmental payables                              | 587,058                    | 2,892,459           | 2,890,128           | 589,389                     |
| Obligations under securities lending of State Treasurer | 107,790                    | 1,443,052           | 1,452,004           | 98,838                      |
| <b>Total liabilities</b>                                | <u>\$ 704,520</u>          | <u>\$ 4,345,392</u> | <u>\$ 4,351,804</u> | <u>\$ 698,108</u>           |
| <b>Other:</b>   |                            |                     |                     |                             |
| <b>Assets</b>   |                            |                     |                     |                             |
| Cash equity with State Treasurer                        | \$ 108,490                 | \$ 2,339,178        | \$ 2,340,107        | \$ 107,561                  |
| Cash and cash equivalents                               | 19,456                     | 1,262,292           | 1,260,102           | 21,646                      |
| Securities lending collateral of State Treasurer        | 20,132                     | 328,206             | 327,394             | 20,944                      |
| Investments   | 29,220                     | 3,051               | 3,524               | 28,747                      |
| Taxes receivable, net                                   | 28,543                     | 628,727             | 623,772             | 33,498                      |
| Intergovernmental receivables, net                      | 1,150                      | 16,100              | 16,661              | 589                         |
| Other receivables, net                                  | 4,195                      | 1,823               | 5,082               | 936                         |
| Due from primary government funds                       | 3,586                      | 9,200               | 9,530               | 3,256                       |
| Other assets  | 166                        | -                   | 56                  | 110                         |
| <b>Total assets</b>                                     | <u>\$ 214,938</u>          | <u>\$ 4,588,577</u> | <u>\$ 4,586,228</u> | <u>\$ 217,287</u>           |
| <b>Liabilities</b>                                      |                            |                     |                     |                             |
| Accounts payable and accrued liabilities                | \$ 18,992                  | \$ 1,538,479        | \$ 1,535,695        | \$ 21,776                   |
| Intergovernmental payables                              | 123,344                    | 1,901,042           | 1,902,325           | 122,061                     |
| Due to component units                                  | 36                         | 376                 | 374                 | 38                          |
| Obligations under securities lending of State Treasurer | 20,132                     | 328,206             | 327,394             | 20,944                      |
| Depository and other liabilities                        | 52,434                     | 156,485             | 156,451             | 52,468                      |
| <b>Total liabilities</b>                                | <u>\$ 214,938</u>          | <u>\$ 3,924,588</u> | <u>\$ 3,922,239</u> | <u>\$ 217,287</u>           |

***State of Illinois*****Combining Statement of Changes in Assets and Liabilities****Agency Funds**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|   | Balance at<br>July 1, 2014 | Additions            | Deletions            | Balance at<br>June 30, 2015 |
|---|----------------------------|----------------------|----------------------|-----------------------------|
| <b>Total - All Funds</b>                                |                            |                      |                      |                             |
| <b>Assets</b>   |                            |                      |                      |                             |
| Cash equity with State Treasurer                        | \$ 448,074                 | \$ 5,400,709         | \$ 5,385,474         | \$ 463,309                  |
| Cash and cash equivalents                               | 23,512                     | 1,377,601            | 1,376,765            | 24,348                      |
| Securities lending collateral of State Treasurer        | 127,922                    | 1,771,258            | 1,779,398            | 119,782                     |
| Investments   | 977,590                    | 188,880              | 179,807              | 986,663                     |
| Taxes receivable, net                                   | 226,892                    | 3,393,266            | 3,386,370            | 233,788                     |
| Intergovernmental receivables, net                      | 1,150                      | 16,100               | 16,661               | 589                         |
| Other receivables, net                                  | 206,294                    | 154,056              | 152,170              | 208,180                     |
| Due from primary government funds                       | 77,137                     | 146,123              | 161,375              | 61,885                      |
| Other assets  | 166                        | -                    | 56                   | 110                         |
| <b>Total assets</b>                                     | <b>\$ 2,088,737</b>        | <b>\$ 12,447,993</b> | <b>\$ 12,438,076</b> | <b>\$ 2,098,654</b>         |
| <b>Liabilities</b>                                      |                            |                      |                      |                             |
| Accounts payable and accrued liabilities                | \$ 43,887                  | \$ 1,566,365         | \$ 1,562,135         | \$ 48,117                   |
| Intergovernmental payables                              | 710,402                    | 4,793,501            | 4,792,453            | 711,450                     |
| Due to component units                                  | 36                         | 376                  | 374                  | 38                          |
| Obligations under securities lending of State Treasurer | 127,922                    | 1,771,258            | 1,779,398            | 119,782                     |
| Depository and other liabilities                        | 1,206,490                  | 590,973              | 578,196              | 1,219,267                   |
| <b>Total liabilities</b>                                | <b>\$ 2,088,737</b>        | <b>\$ 8,722,473</b>  | <b>\$ 8,712,556</b>  | <b>\$ 2,098,654</b>         |

***State of Illinois*****Combining Statement of Fiduciary Net Position - Agency Funds****Revenue**

June 30, 2015 (Expressed in Thousands)

|   | Home Rule<br>Municipal<br>Retailers<br>Occupation Tax<br>Fund | Home Rule<br>County Retailers<br>Occupation Tax<br>Fund | Metropolitan Pier<br>and Exposition<br>Authority Trust<br>Fund | Municipal<br>Telecommunications<br>Fund | RTA Sales Tax<br>Trust Fund | Total             |
|---|---|---|--|---|-----------------------------|-------------------|
| <b>ASSETS</b>   |   |   |  |   |                             |                   |
| Cash equity with State Treasurer                        | \$ 119,208  | \$ 16,464   | \$ 52,066  | \$ 42,761                               | \$ 109,757                  | \$ 340,256        |
| Securities lending collateral of State Treasurer        | 34,248  | 19,543  | 17,828   |   | 27,219                      | 98,838            |
| Receivables, net:                                       |   |   |  |   |                             |                   |
| Taxes   | 69,745  | 20,072  | 15,110   | 1,639                                   | 93,724                      | 200,290           |
| Other   | 33  | 19  | 17   |   | 26                          | 95                |
| Due from primary government funds                       |   |   |  | 24,080                                  | 34,549                      | 58,629            |
| <b>Total assets</b>                                     | <b>\$ 223,234</b>   | <b>\$ 56,098</b>  | <b>\$ 85,021</b>   | <b>\$ 68,480</b>                        | <b>\$ 265,275</b>           | <b>\$ 698,108</b> |
| <b>LIABILITIES</b>                                      |   |   |  |   |                             |                   |
| Accounts payable and accrued liabilities                |   | \$ 278  | \$ 9,603   |   | \$ 9,881                    |                   |
| Intergovernmental payables                              | \$ 188,986  | \$ 36,555   | \$ 66,915  | \$ 58,877                               | \$ 238,056                  | 589,389           |
| Obligations under securities lending of State Treasurer | 34,248  | 19,543  | 17,828   |   | 27,219                      | 98,838            |
| <b>Total liabilities</b>                                | <b>\$ 223,234</b>   | <b>\$ 56,098</b>  | <b>\$ 85,021</b>   | <b>\$ 68,480</b>                        | <b>\$ 265,275</b>           | <b>\$ 698,108</b> |

**State of Illinois**

**Combining Statement of Changes in Assets and Liabilities**

**Agency Funds - Revenue**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|  | Balance at<br>July 1, 2014 | Additions           | Deletions           | Balance at<br>June 30, 2015 |
|--|----------------------------|---------------------|---------------------|-----------------------------|
| <b>Home Rule Municipal Retailers</b>                         |                            |                     |                     |                             |
| <b>Occupation Tax Fund</b>                                   |                            |                     |                     |                             |
| <b>Assets</b>  |                            |                     |                     |                             |
| Cash equity with State Treasurer                             | \$ 111,678                 | \$ 957,398          | \$ 949,868          | \$ 119,208                  |
| Securities lending collateral of State Treasurer             | 31,536                     | 524,579             | 521,867             | 34,248                      |
| Taxes receivable, net  | 69,941                     | 956,897             | 957,093             | 69,745                      |
| Other receivables, net                                       | 23                         | 315                 | 305                 | 33                          |
| <b>Total assets</b>  | <b>\$ 213,178</b>          | <b>\$ 2,439,189</b> | <b>\$ 2,429,133</b> | <b>\$ 223,234</b>           |
| <b>Liabilities</b>   |                            |                     |                     |                             |
| Accounts payable and accrued liabilities                     | \$ 10                      | \$ -                | \$ 10               | \$ -                        |
| Intergovernmental payables                                   | 181,632                    | 957,212             | 949,858             | 188,986                     |
| Obligations under securities lending of State Treasurer      | 31,536                     | 524,579             | 521,867             | 34,248                      |
| <b>Total liabilities</b>                                     | <b>\$ 213,178</b>          | <b>\$ 1,481,791</b> | <b>\$ 1,471,735</b> | <b>\$ 223,234</b>           |
| <b>Home Rule County Retailers</b>                            |                            |                     |                     |                             |
| <b>Occupation Tax Fund</b>                                   |                            |                     |                     |                             |
| <b>Assets</b>  |                            |                     |                     |                             |
| Cash equity with State Treasurer                             | \$ 15,577                  | \$ 333,548          | \$ 332,661          | \$ 16,464                   |
| Securities lending collateral of State Treasurer             | 24,854                     | 335,798             | 341,109             | 19,543                      |
| Taxes receivable, net  | 19,208                     | 334,206             | 333,342             | 20,072                      |
| Other receivables, net                                       | 18                         | 207                 | 206                 | 19                          |
| <b>Total assets</b>  | <b>\$ 59,657</b>           | <b>\$ 1,003,759</b> | <b>\$ 1,007,318</b> | <b>\$ 56,098</b>            |
| <b>Liabilities</b>   |                            |                     |                     |                             |
| Intergovernmental payables                                   | \$ 34,803                  | \$ 334,413          | \$ 332,661          | \$ 36,555                   |
| Obligations under securities lending of State Treasurer      | 24,854                     | 335,798             | 341,109             | 19,543                      |
| <b>Total liabilities</b>                                     | <b>\$ 59,657</b>           | <b>\$ 670,211</b>   | <b>\$ 673,770</b>   | <b>\$ 56,098</b>            |
| <b>Metropolitan Pier and Exposition Authority Trust Fund</b> |                            |                     |                     |                             |
| <b>Assets</b>  |                            |                     |                     |                             |
| Cash equity with State Treasurer                             | \$ 62,450                  | \$ 144,423          | \$ 154,807          | \$ 52,066                   |
| Securities lending collateral of State Treasurer             | 26,184                     | 172,046             | 180,402             | 17,828                      |
| Taxes receivable, net  | 14,064                     | 145,358             | 144,312             | 15,110                      |
| Other receivables, net                                       | 19                         | 109                 | 111                 | 17                          |
| <b>Total assets</b>  | <b>\$ 102,717</b>          | <b>\$ 461,936</b>   | <b>\$ 479,632</b>   | <b>\$ 85,021</b>            |
| <b>Liabilities</b>   |                            |                     |                     |                             |
| Accounts payable and accrued liabilities                     | \$ 238                     | \$ 278              | \$ 238              | \$ 278                      |
| Intergovernmental payables                                   | 76,295                     | 145,189             | 154,569             | 66,915                      |
| Obligations under securities lending of State Treasurer      | 26,184                     | 172,046             | 180,402             | 17,828                      |
| <b>Total liabilities</b>                                     | <b>\$ 102,717</b>          | <b>\$ 317,513</b>   | <b>\$ 335,209</b>   | <b>\$ 85,021</b>            |
| <b>Municipal Telecommunications Fund</b>                     |                            |                     |                     |                             |
| <b>Assets</b>  |                            |                     |                     |                             |
| Cash equity with State Treasurer                             | \$ 30,241                  | \$ 239,954          | \$ 227,434          | \$ 42,761                   |
| Taxes receivable, net  | 1,003                      | 225,009             | 224,373             | 1,639                       |
| Due from primary government funds                            | 39,661                     | -                   | 15,581              | 24,080                      |
| <b>Total assets</b>  | <b>\$ 70,905</b>           | <b>\$ 464,963</b>   | <b>\$ 467,388</b>   | <b>\$ 68,480</b>            |
| <b>Liabilities</b>   |                            |                     |                     |                             |
| Accounts payable and accrued liabilities                     | \$ 9,424                   | \$ 9,603            | \$ 9,424            | \$ 9,603                    |
| Intergovernmental payables                                   | 61,481                     | 215,406             | 218,010             | 58,877                      |
| <b>Total liabilities</b>                                     | <b>\$ 70,905</b>           | <b>\$ 225,009</b>   | <b>\$ 227,434</b>   | <b>\$ 68,480</b>            |
| <b>RTA Sales Tax Trust Fund</b>                              |                            |                     |                     |                             |
| <b>Assets</b>  |                            |                     |                     |                             |
| Cash equity with State Treasurer                             | \$ 104,806                 | \$ 1,239,981        | \$ 1,235,030        | \$ 109,757                  |
| Securities lending collateral of State Treasurer             | 25,216                     | 410,629             | 408,626             | 27,219                      |
| Taxes receivable, net  | 94,133                     | 1,103,069           | 1,103,478           | 93,724                      |
| Other receivables, net                                       | 18                         | 247                 | 239                 | 26                          |
| Due from primary government funds                            | 33,890                     | 136,923             | 136,264             | 34,549                      |
| <b>Total assets</b>  | <b>\$ 258,063</b>          | <b>\$ 2,890,849</b> | <b>\$ 2,883,637</b> | <b>\$ 265,275</b>           |
| <b>Liabilities</b>   |                            |                     |                     |                             |
| Intergovernmental payables                                   | \$ 232,847                 | \$ 1,240,239        | \$ 1,235,030        | \$ 238,056                  |
| Obligations under securities lending of State Treasurer      | 25,216                     | 410,629             | 408,626             | 27,219                      |
| <b>Total liabilities</b>                                     | <b>\$ 258,063</b>          | <b>\$ 1,650,868</b> | <b>\$ 1,643,656</b> | <b>\$ 265,275</b>           |

***State of Illinois*****Combining Statement of Changes in Assets and Liabilities****Agency Funds - Revenue**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|   | Balance at<br>July 1, 2014 | Additions           | Deletions           | Balance at<br>June 30, 2015 |
|---|----------------------------|---------------------|---------------------|-----------------------------|
| <b>Total - All Funds</b>                                |                            |                     |                     |                             |
| <b>Assets</b>   |                            |                     |                     |                             |
| Cash equity with State Treasurer                        | \$ 324,752                 | \$ 2,915,304        | \$ 2,899,800        | \$ 340,256                  |
| Securities lending collateral of State Treasurer        | 107,790                    | 1,443,052           | 1,452,004           | 98,838                      |
| Taxes receivable, net                                   | 198,349                    | 2,764,539           | 2,762,598           | 200,290                     |
| Other receivables, net                                  | 78                         | 878                 | 861                 | 95                          |
| Due from primary government funds                       | 73,551                     | 136,923             | 151,845             | 58,629                      |
| <b>Total assets</b>                                     | <b>\$ 704,520</b>          | <b>\$ 7,260,696</b> | <b>\$ 7,267,108</b> | <b>\$ 698,108</b>           |
| <b>Liabilities</b>                                      |                            |                     |                     |                             |
| Accounts payable and accrued liabilities                | \$ 9,672                   | \$ 9,881            | \$ 9,672            | \$ 9,881                    |
| Intergovernmental payables                              | 587,058                    | 2,892,459           | 2,890,128           | 589,389                     |
| Obligations under securities lending of State Treasurer | 107,790                    | 1,443,052           | 1,452,004           | 98,838                      |
| <b>Total liabilities</b>                                | <b>\$ 704,520</b>          | <b>\$ 4,345,392</b> | <b>\$ 4,351,804</b> | <b>\$ 698,108</b>           |

## **COMPONENT UNITS**

Component Units are legally separate organizations for which the elected officials of the primary government are financially accountable. Component Units also include certain other organizations because of the nature and significance of their relationship with the primary government.

### **NONMAJOR COMPONENT UNITS DESCRIPTIONS**

#### **NONMAJOR AUTHORITIES**

The Comprehensive Health Insurance Plan Board--to provide an alternate market for health insurance for eligible Illinois residents having a preexisting health condition.

Illinois Finance Authority--to provide economic development to the public and private institutions in Illinois that create and retain jobs and to improve the quality of life in Illinois by providing access to capital.

Illinois Medical District Commission--to combine the resources of diverse medical institutions to promote low cost medical care in the City of Chicago, accelerate scientific research, improve diagnostic methods and train health care professionals.

Southwestern Illinois Development Authority--to promote and enhance economic development in St. Clair and Madison counties in southwestern Illinois.

Upper Illinois River Valley Development Authority--to promote and enhance economic development within the State's Upper Illinois River Valley.

#### **NONMAJOR UNIVERSITIES**

Board of Trustees of Chicago State University--to operate, manage, control and maintain Chicago State University. The Board was created on January 1, 1996 with the dissolution of the Board of Governors of State Colleges and Universities.

Board of Trustees of Eastern Illinois University--to operate, manage, control and maintain Eastern Illinois University. The Board was created on January 1, 1996 with the dissolution of the Board of Governors of State Colleges and Universities.

Board of Trustees of Governors State University--to operate, manage, control and maintain Governors State University. The Board was created on January 1, 1996 with the dissolution of the Board of Governors of State Colleges and Universities.

Board of Trustees of Northeastern Illinois University--to operate, manage, control and maintain Northeastern Illinois University. The Board was created on January 1, 1996 with the dissolution of the Board of Governors of State Colleges and Universities.

Board of Trustees of Western Illinois University--to operate, manage, control and maintain Western Illinois University. The Board was created on January 1, 1996 with the dissolution of the Board of Governors of State Colleges and Universities.

**State of Illinois**

**Combining Statement of Net Position**

**Component Units - Other Authorities**

June 30, 2015 (Expressed in Thousands)

|  | Comprehensive<br>Health Insurance<br>Plan Board | Illinois<br>Finance<br>Authority | Illinois Medical<br>District<br>Commission | Southwestern<br>Illinois<br>Development<br>Authority | Upper Illinois<br>River Valley<br>Development<br>Authority | Total             |
|--|---|----------------------------------|--|--|--|-------------------|
| <b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>                                 |   |                                  |  |  |  |                   |
| Cash and cash equivalents  | \$ 15,089                                       | \$ 6,955                         | \$ 10                                      | \$ 5,907   | \$ 214   | \$ 28,175         |
| Securities lending collateral of State Treasurer                                 |   | 8,076                            |  |  |  | 8,076             |
| Investments  |   | 25,187                           |  |  | 56   | 25,243            |
| Receivables, net:  |   |                                  |  |  |  |                   |
| Intergovernmental  | 2   | 3,000                            |  |  |  | 3,002             |
| Other  | 194   | 531                              | 487  | 456  |  | 1,668             |
| Due from component units   |   | 33,440                           | 26,752                                     |  |  | 60,192            |
| Due from primary government  |   | 53,986                           | 3,090                                      |  |  | 57,076            |
| Prepaid expenses   | 3   | 34                               | 22   | 6  |  | 65                |
| Loans and notes receivable, net  |   | 22,049                           |  | 2,070  |  | 24,119            |
| Restricted assets:   |   |                                  |  |  |  |                   |
| Cash equity with State Treasurer   |   | 17,999                           |  |  |  | 17,999            |
| Cash and cash equivalents  |   | 95,156                           | 103  |  |  | 95,259            |
| Investments  |   | 20,717                           |  | 30   |  | 20,747            |
| Other receivables, net   |   | 1,573                            |  |  |  | 1,573             |
| Loans and notes receivable, net  |   | 17,367                           |  |  |  | 17,367            |
| Other assets   | 113   |                                  |  |  |  | 113               |
| Capital assets not being depreciated   |   |                                  | 48,304                                     | 100  |  | 48,404            |
| Capital assets being depreciated, net  | 4   | 70                               | 18,734                                     | 262  |  | 19,070            |
| <b>Total assets</b>  | <b>15,405</b>                                   | <b>306,140</b>                   | <b>97,502</b>                              | <b>8,831</b>   | <b>270</b>   | <b>428,148</b>    |
| Deferred outflows of resources - unamortized deferred amounts on bond refundings |   | 767                              |  |  |  | 767               |
| Deferred outflows of resources - pensions  | 1,334   |                                  | 245  |  |  | 1,579             |
| <b>Total assets and deferred outflows of resources</b>                           | <b>16,739</b>                                   | <b>306,907</b>                   | <b>97,747</b>                              | <b>8,831</b>   | <b>270</b>   | <b>430,494</b>    |
| <b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>                             |   |                                  |  |  |  |                   |
| Accounts payable and accrued liabilities   | 649   | 3,869                            | 1,955                                      | 11   |  | 6,484             |
| Due to component units   |   |                                  | 29,932                                     |  |  | 29,932            |
| Due to primary government  | 3   | 6,404                            |  |  |  | 6,407             |
| Unearned revenue   | 298   | 70                               | 529  | 400  |  | 1,297             |
| Obligations under securities lending collateral of State Treasurer               |   | 8,076                            |  |  |  | 8,076             |
| Assets held for others   |   | 37                               |  |  |  | 37                |
| Short-term notes payable   |   |                                  |  |  |  |                   |
| Other liabilities  | 2,164   | 718                              |  |  |  | 2,882             |
| Long-term obligations:   |   |                                  |  |  |  |                   |
| Due within one year  | 8   | 27,005                           | 884  |  |  | 27,897            |
| Due subsequent to one year   | 9,362   | 143,459                          | 22,286                                     |  |  | 175,107           |
| <b>Total liabilities</b>   | <b>12,484</b>                                   | <b>189,638</b>                   | <b>55,586</b>                              | <b>411</b>   | <b></b>  | <b>258,119</b>    |
| Deferred inflows of resources - pensions   | 329   |                                  |  |  |  | 329               |
| <b>Total liabilities and deferred inflows of resources</b>                       | <b>12,813</b>                                   | <b>189,638</b>                   | <b>55,586</b>                              | <b>411</b>   | <b></b>  | <b>258,448</b>    |
| <b>NET POSITION</b>  |   |                                  |  |  |  |                   |
| Net investment in capital assets   | 4   | 70                               | 37,726                                     | 362  |  | 38,162            |
| Restricted for:  |   |                                  |  |  |  |                   |
| Debt service   |   | 1,688                            |  |  |  | 1,688             |
| Other expendable purposes  | 3,922   | 58,216                           |  | 6,021  |  | 68,159            |
| Unrestricted   |   | 57,295                           | 4,435                                      | 2,037  | 270  | 64,037            |
| <b>Total net position</b>  | <b>\$ 3,926</b>                                 | <b>\$ 117,269</b>                | <b>\$ 42,161</b>                           | <b>\$ 8,420</b>                                      | <b>\$ 270</b>  | <b>\$ 172,046</b> |

***State of Illinois*****Combining Statement of Activities****Component Units - Other Authorities**

For the Year Ended June 30, 2015 (Expressed in Thousands)

| <b>Functions/Programs</b>                         | <b>Expenses</b>  | <b>Program revenues</b>         |   |   | <b>Net<br/>(expense)<br/>revenue</b> |
|---|------------------|---------------------------------|---|---|--------------------------------------|
|   |                  | <b>Charges for<br/>services</b> | <b>Operating<br/>grants and<br/>contributions</b> | <b>Capital<br/>grants and<br/>contributions</b> |                                      |
| Comprehensive Health Insurance Plan Board         | \$ 22,291        | \$ 6,523                        | \$ 947  |   | \$ (14,821)                          |
| Illinois Finance Authority                        | 9,000            | 8,231                           |   |   | (769)                                |
| Illinois Medical District Commission              | 9,459            | 5,454                           |   | \$ 10,192                                       | 6,187                                |
| Southwestern Illinois Development Authority       | 484              | 174                             | 400   |   | 90                                   |
| Upper Illinois River Valley Development Authority | 130              | 61                              |   |   | (69)                                 |
| Total   | <b>\$ 41,364</b> | <b>\$ 20,443</b>                | <b>\$ 1,347</b>                                   | <b>\$ 10,192</b>                                | <b>\$ (9,382)</b>                    |

| State<br>appropriations | General revenues                     |                 | Total general<br>revenues and<br>additions<br>to permanent<br>endowments | Change in<br>net position | Net position,<br>July 1, 2014,<br>as restated | Net position,<br>June 30, 2015 |
|-------------------------|--------------------------------------|-----------------|--|---------------------------|---|--------------------------------|
|                         | Interest and<br>investment<br>income | Other           |  |                           |   |                                |
| \$ 3                    | \$ 6,965                             | \$ 6,968        | \$ (7,853)   | \$ 11,779                 | \$ 3,926                                      |                                |
| 643                     | 448                                  | 1,091           | 322  | 116,947                   | 117,269                                       |                                |
| 1,203                   |                                      | 1,203           | 7,390  | 34,771                    | 42,161  |                                |
| 11                      | 58                                   | 69              | 159  | 8,261                     | 8,420   |                                |
|                         |                                      |                 | (69)   | 339                       | 270   |                                |
| <b>\$ 1,860</b>         | <b>\$ 7,471</b>                      | <b>\$ 9,331</b> | <b>\$ (51)</b>   | <b>\$ 172,097</b>         | <b>\$ 172,046</b>                             |                                |

**State of Illinois**

**Combining Statement of Net Position  
Component Units - Other Universities**

June 30, 2015 (Expressed in Thousands)

|  | Chicago State University | Eastern Illinois University | Governors State University | Northeastern Illinois University |
|--|--------------------------|-----------------------------|----------------------------|----------------------------------|
| <b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>                                 |                          |                             |                            |                                  |
| Cash equity with State Treasurer   | \$ 524                   |                             |                            |                                  |
| Cash and cash equivalents  | 18,476                   | \$ 33,740                   | \$ 35,941                  | \$ 52,871                        |
| Investments  |                          | 2,089                       | 3,146                      | 1,431                            |
| Securities lending collateral of State Treasurer                                 | 301                      |                             |                            |                                  |
| Receivables, net:  |                          |                             |                            |                                  |
| Intergovernmental  |                          |                             | 1,111                      | 3,861                            |
| Other  | 5,569                    | 14,228                      | 4,542                      | 7,837                            |
| Due from component units   |                          | 18                          |                            |                                  |
| Due from primary government  | 5,790                    | 5,745                       | 3,686                      | 7,845                            |
| Inventories  | 30                       | 1,870                       | 53                         | 5                                |
| Prepaid expenses   | 565                      | 256                         | 240                        | 976                              |
| Unamortized bond insurance costs   |                          | 24                          | 141                        |                                  |
| Loans and notes receivable, net  | 734                      | 6,440                       | 3,575                      | 1,432                            |
| Restricted assets:   |                          |                             |                            |                                  |
| Cash and cash equivalents  | 6,901                    | 12,688                      | 402                        | 1,453                            |
| Investments  | 5,409                    | 82,829                      |                            | 8,419                            |
| Other receivables  |                          | 1,819                       |                            |                                  |
| Other assets   |                          |                             |                            |                                  |
| Other assets   | 270                      | 1,002                       | 174                        | 499                              |
| Capital assets not being depreciated   | 30,614                   | 88,405                      | 4,053                      | 34,535                           |
| Capital assets being depreciated, net  | 128,303                  | 208,932                     | 121,406                    | 128,647                          |
| <b>Total assets</b>  | <b>203,486</b>           | <b>460,085</b>              | <b>178,470</b>             | <b>249,811</b>                   |
| Deferred outflows of resources - unamortized deferred amounts on bond refundings |                          | 111                         |                            |                                  |
| Deferred outflows of resources - pensions  | 319                      | 120                         | 96                         | 891                              |
| <b>Total assets and deferred outflows of resources</b>                           | <b>203,805</b>           | <b>460,316</b>              | <b>178,566</b>             | <b>250,702</b>                   |
| <b>LIABILITIES</b>   |                          |                             |                            |                                  |
| Accounts payable and accrued liabilities   | 12,843                   | 11,257                      | 3,867                      | 9,733                            |
| Intergovernmental payables   |                          |                             | 3,654                      | 194                              |
| Due to component units   | 21                       |                             |                            |                                  |
| Due to primary government  |                          | 36                          |                            | 176                              |
| Unearned revenue   | 3,874                    | 4,696                       | 4,526                      | 1,933                            |
| Obligations under securities lending collateral of State Treasurer               | 301                      |                             |                            |                                  |
| Assets held for others   |                          | 4,350                       |                            | 392                              |
| Other liabilities  |                          | 5,751                       |                            |                                  |
| Long-term obligations:   |                          |                             |                            |                                  |
| Due within one year  | 2,360                    | 9,324                       | 3,097                      | 2,610                            |
| Due subsequent to one year   | 17,081                   | 104,910                     | 43,396                     | 63,939                           |
| <b>Total liabilities</b>   | <b>36,480</b>            | <b>140,324</b>              | <b>58,540</b>              | <b>78,977</b>                    |
| <b>NET POSITION</b>  |                          |                             |                            |                                  |
| Net investment in capital assets   | 144,599                  | 196,440                     | 85,208                     | 111,909                          |
| Restricted for:  |                          |                             |                            |                                  |
| Debt service   |                          | 2,883                       |                            | 1,458                            |
| Capital projects   | 127                      |                             |                            |                                  |
| Nonexpendable purposes   | 2,962                    | 55,952                      | 1,874                      | 8,419                            |
| Other expendable purposes  | 3,431                    | 35,757                      | 2,078                      | 6,148                            |
| Unrestricted   | 16,206                   | 28,960                      | 30,866                     | 43,791                           |
| <b>Total net position</b>  | <b>\$ 167,325</b>        | <b>\$ 319,992</b>           | <b>\$ 120,026</b>          | <b>\$ 171,725</b>                |

**Western Illinois  
University**

**Total**

|    |        |         |
|----|--------|---------|
| \$ | 66,540 | \$ 524  |
|    | 13,180 | 207,568 |
|    |        | 19,846  |
|    |        | 301     |

|                |                  |
|----------------|------------------|
| 12,070         | 4,972            |
| 10             | 44,246           |
| 9,044          | 28               |
| 2,905          | 32,110           |
| 122            | 4,863            |
| 241            | 2,159            |
| 1,808          | 406              |
| 126            | 13,989           |
| 36,954         | 21,570           |
|                | 133,611          |
|                | 1,819            |
| 4,896          | 4,896            |
| 1,090          | 3,035            |
| 12,224         | 169,831          |
| 250,535        | 837,823          |
| <b>411,745</b> | <b>1,503,597</b> |

|                |                  |
|----------------|------------------|
| 492            | 603              |
| 329            | 1,755            |
| <b>412,566</b> | <b>1,505,955</b> |

|                |                |
|----------------|----------------|
| 20,465         | 58,165         |
|                | 3,848          |
| 11             | 32             |
| 110            | 322            |
| 5,508          | 20,537         |
|                | 301            |
|                | 4,742          |
| 1,506          | 7,257          |
| 8,062          | 25,453         |
| <b>99,707</b>  | <b>329,033</b> |
| <b>135,369</b> | <b>449,690</b> |

|                   |                     |
|-------------------|---------------------|
| 168,022           | 706,178             |
|                   | 4,341               |
|                   | 127                 |
| 27,261            | 96,468              |
| 14,109            | 61,523              |
| <b>67,805</b>     | <b>187,628</b>      |
| <b>\$ 277,197</b> | <b>\$ 1,056,265</b> |

***State of Illinois*****Combining Statement of Activities****Component Units - Other Universities**

For the Year Ended June 30, 2015 (Expressed in Thousands)

| Functions/Programs               | Expenses            | Program revenues       |  |  | Net<br>(expense)<br>revenue |
|----------------------------------|---------------------|------------------------|--|--|-----------------------------|
|                                  |                     | Charges for<br>service | Operating<br>grants and<br>contributions | Capital<br>grants and<br>contributions |                             |
| Chicago State University         | \$ 150,877          | \$ 40,181              | \$ 25,830                                | \$ 6,190                               | \$ (78,676)                 |
| Eastern Illinois University      | 246,242             | 98,448                 | 29,482                                   | 15                                     | (118,297)                   |
| Governors State University       | 123,732             | 45,693                 | 17,276                                   | 219                                    | (60,544)                    |
| Northeastern Illinois University | 190,281             | 56,000                 | 44,347                                   |  | (89,934)                    |
| Western Illinois University      | 322,553             | 130,733                | 50,980                                   |  | (140,840)                   |
| Total                            | <u>\$ 1,033,685</u> | <u>\$ 371,055</u>      | <u>\$ 167,915</u>                        | <u>\$ 6,424</u>                        | <u>\$ (488,291)</u>         |

| General revenues           |                      |                                |                 |                                   | Total general revenues and additions to permanent endowments | Change in net position | Net position, July 1, 2014, as restated | Net position, June 30, 2015 |
|----------------------------|----------------------|--------------------------------|-----------------|-----------------------------------|--|------------------------|---|-----------------------------|
| Pension revenue recognized | State appropriations | Interest and investment income | Other           | Additions to permanent endowments |  |                        |   |                             |
| \$ 25,915                  | \$ 64,531            | \$ 217                         | \$ 2,743        |                                   | \$ 93,406  | \$ 14,730              | \$ 152,595                              | \$ 167,325                  |
| 38,665                     | 74,883               | 409                            | 2,457           | \$ 6,798                          | 123,212  | 4,915                  | 315,077                                 | 319,992                     |
| 16,799                     | 42,123               | 30                             | 576             | 133                               | 59,661   | (883)                  | 120,909                                 | 120,026                     |
| 29,605                     | 65,480               | (89)                           | 24              | 1,223                             | 96,243   | 6,309                  | 165,416                                 | 171,725                     |
| 44,430                     | 96,338               | 238                            | 410             | 1,451                             | 142,867  | 2,027                  | 275,170                                 | 277,197                     |
| <b>\$ 155,414</b>          | <b>\$ 343,355</b>    | <b>\$ 805</b>                  | <b>\$ 6,210</b> | <b>\$ 9,605</b>                   | <b>\$ 515,389</b>  | <b>\$ 27,098</b>       | <b>\$ 1,029,167</b>                     | <b>\$ 1,056,265</b>         |

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## Budgetary Schedules

The following budgetary schedules for the State have been prepared in accordance with the terminology and classifications of funds used by the State in the Statewide Accounting Management System (“SAMS”). SAMS establishes the following budgetary fund groups to account for the State’s budgetary activities:

**General** – funds established to account for those services traditionally provided by a state government which are not accounted for in other funds;

**Highway** – funds established to receive and distribute assessments related to transportation, and to support the construction and maintenance of transportation facilities and activities of the State;

**Special State** – funds designated by statute as special funds in the State Treasury and not elsewhere classified;

**Bond Financed** – funds established to receive and administer the proceeds of various bond issues of the State;

**Debt Service** – funds established to finance and account for the payment of principal and interest generally associated with the general and special obligation bond issues of the State;

**Federal Trust** – funds established pursuant to grants and contracts or under statutory authority between State agencies and the federal government;

**Revolving** – funds established to finance and account for intra-governmental services; and

**State Trust** – funds established by statute or under statutory authority for nonfederal programs which are not deemed to be a traditional governmental activity or elsewhere classified.

As the attached schedules are presented on the budgetary basis and not the GAAP basis of accounting, all budgeted funds of the State, including those presented as required supplemental information, are presented. The schedules presented as required supplemental information classify certain major governmental funds differently for GAAP reporting purposes than the following budgetary presentation. Below is a summary of those differences:

| GAAP Basis   | Budgetary Basis Includes   |
|--------------|--|
| General Fund | All General Funds<br>Highway Funds:<br>1 fund included as an other highway fund<br>Special State Funds:<br>Budget Stabilization Fund<br>County Provider Trust Fund<br>Long-Term Care Provider Fund<br>Hospital Provider Fund<br>Drug Rebate Fund<br>Healthcare Provider Relief Fund<br>Income Tax Refund Fund<br>Public Transportation Fund<br>School Infrastructure Fund<br>and 51 funds included as other special state funds<br>Debt Service Funds:<br>Capital Projects Fund<br>and 1 fund included as an other debt service fund<br>Federal Trust Funds:<br>2 funds included as other federal trust funds<br>State Trust Funds:<br>Public Assistance Recoveries Trust Fund<br>and 2 funds included as an other state trust funds |

**State of Illinois**

**Combined Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)**  
**All Budgeted Fund Groups**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|   | General Funds       |                       |                       | Highway Funds     |                     |                       |
|---|---------------------|-----------------------|-----------------------|-------------------|---------------------|-----------------------|
|   | Final Budget        | Actual                | Variance Over (Under) | Final Budget      | Actual              | Variance Over (Under) |
| <b>REVENUES:</b>  |                     |                       |                       |                   |                     |                       |
| Income taxes  | \$ 20,627,000       | \$ 18,119,347         | \$ (2,507,653)        |                   |                     |                       |
| Sales taxes   | 7,847,000           | 8,030,245             | 183,245               |                   |                     |                       |
| Motor fuel taxes  |                     |                       |                       | \$ 1,197,100      | \$ 1,222,556        | \$ 25,456             |
| Public utility taxes  | 1,031,000           | 1,005,621             | (25,379)              |                   |                     |                       |
| Federal government  | 4,461,000           | 3,295,932             | (1,165,068)           | 1,649,300         | 1,721,241           | 71,941                |
| Other   | 1,989,000           | 2,420,870             | 431,870               | 1,428,000         | 1,594,297           | 166,297               |
| Less:   |                     |                       |                       |                   |                     |                       |
| Refunds   | 1,071               | 285                   | (786)                 | 24,756            | 19,733              | (5,023)               |
| <b>Total revenues</b>   | <b>35,953,929</b>   | <b>32,871,730</b>     | <b>(3,082,199)</b>    | <b>4,249,644</b>  | <b>4,518,361</b>    | <b>268,717</b>        |
| <b>EXPENDITURES:</b>  |                     |                       |                       |                   |                     |                       |
| Current:  |                     |                       |                       |                   |                     |                       |
| Health and social services  | 12,427,432          | 11,613,863            | (813,569)             |                   |                     |                       |
| Education   | 13,428,970          | 13,373,669            | (55,301)              |                   |                     |                       |
| General government  | 3,479,178           | 3,391,707             | (87,471)              | 175,606           | 173,424             | (2,182)               |
| Employment and economic development   | 103,504             | 72,535                | (30,969)              | 1,900             | 1,900               | -                     |
| Transportation  | 5,562               | 5,223                 | (339)                 | 3,930,773         | 3,485,562           | (445,211)             |
| Public protection and justice   | 2,238,598           | 2,205,503             | (33,095)              |                   |                     |                       |
| Environment and business regulation   | 95,430              | 84,723                | (10,707)              |                   |                     |                       |
| Debt service:   |                     |                       |                       |                   |                     |                       |
| Principal   |                     |                       |                       |                   |                     |                       |
| Interest  |                     |                       |                       |                   |                     |                       |
| Capital outlays   | 19,090              | 16,109                | (2,981)               | 76,792            | 47,081              | (29,711)              |
| <b>Total expenditures</b>   | <b>31,797,764</b>   | <b>30,763,332</b>     | <b>(1,034,432)</b>    | <b>4,185,071</b>  | <b>3,707,967</b>    | <b>(477,104)</b>      |
| <b>Excess (deficiency) of revenues over (under) expenditures</b>  | <b>4,156,165</b>    | <b>2,108,398</b>      | <b>(2,047,767)</b>    | <b>64,573</b>     | <b>810,394</b>      | <b>745,821</b>        |
| <b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>   |                     |                       |                       |                   |                     |                       |
| Operating transfers-in  | 10,480,618          | 10,480,618            | -                     | 1,079,069         | 1,079,069           | -                     |
| Operating transfers-out   | (11,558,120)        | (11,558,120)          | -                     | (1,845,224)       | (1,845,224)         | -                     |
| <b>Total other sources (uses) of financial resources</b>  | <b>(1,077,502)</b>  | <b>(1,077,502)</b>    | <b>-</b>              | <b>(766,155)</b>  | <b>(766,155)</b>    | <b>-</b>              |
| Budgetary funds-nonbudgeted accounts  |                     |                       |                       |                   |                     |                       |
| <b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts</b> | <b>3,078,663</b>    | <b>1,030,896</b>      | <b>(2,047,767)</b>    | <b>(701,582)</b>  | <b>44,239</b>       | <b>745,821</b>        |
| Budgetary fund balances (deficits), July 1, 2014, as previously reported  | (3,930,626)         | (3,930,626)           | -                     | 1,211,416         | 1,211,416           | -                     |
| Reclassifications between budgetary/nonbudgetary funds-net  |                     |                       |                       |                   |                     |                       |
| Budgetary fund balances (deficits), July 1, 2014, as reclassified   | (3,930,626)         | (3,930,626)           | -                     | 1,211,416         | 1,211,416           | -                     |
| <b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2015</b>  | <b>\$ (851,963)</b> | <b>\$ (2,899,730)</b> | <b>\$ (2,047,767)</b> | <b>\$ 509,834</b> | <b>\$ 1,255,655</b> | <b>\$ 745,821</b>     |

| Special State Funds |              |                       | Bond Financed Funds |             |                       | Debt Service Funds |              |                       |
|---------------------|--------------|-----------------------|---------------------|-------------|-----------------------|--------------------|--------------|-----------------------|
| Final Budget        | Actual       | Variance Over (Under) | Final Budget        | Actual      | Variance Over (Under) | Final Budget       | Actual       | Variance Over (Under) |
| \$ 4,274,560        | \$ 4,277,516 | \$ 2,956              |                     |             |                       | \$ 55,881          | \$ 55,881    | \$ -                  |
| 947,299             | 989,228      | 41,929                |                     |             |                       |                    |              |                       |
| 75,396              | 70,716       | (4,680)               |                     |             |                       |                    |              |                       |
| 459,274             | 467,551      | 8,277                 |                     |             |                       |                    |              |                       |
| 8,813,405           | 8,808,196    | (5,209)               |                     |             |                       |                    |              |                       |
| 9,227,625           | 9,902,349    | 674,724               | \$ 17               | \$ 17       | \$ -                  | 56,288             | 65,610       | 9,322                 |
|                     |              |                       |                     |             |                       | 677,359            | 676,126      | (1,233)               |
| 2,471,257           | 2,460,416    | (10,841)              |                     |             |                       |                    |              |                       |
| 21,326,302          | 22,055,140   | 728,838               | 17                  | 17          | -                     | 789,528            | 797,617      | 8,089                 |
|                     |              |                       |                     |             |                       |                    |              |                       |
| 14,866,128          | 12,358,163   | (2,507,965)           | 1,749               | 657         | (1,092)               |                    |              |                       |
| 525,917             | 493,223      | (32,694)              | 167,734             | 99,846      | (67,888)              |                    |              |                       |
| 8,090,896           | 6,979,708    | (1,111,188)           | 714,585             | 345,251     | (369,334)             |                    |              |                       |
| 1,106,435           | 686,976      | (419,459)             | 1,221,790           | 262,133     | (959,657)             |                    |              |                       |
| 1,014,793           | 919,227      | (95,566)              | 1,194,405           | 1,194,220   | (185)                 |                    |              |                       |
| 654,165             | 277,342      | (376,823)             |                     |             |                       |                    |              |                       |
| 1,438,459           | 1,069,240    | (369,219)             | 425,217             | 38,856      | (386,361)             |                    |              |                       |
|                     |              |                       |                     |             |                       | 2,566,704          | 2,381,360    | (185,344)             |
|                     |              |                       |                     |             |                       | 1,718,106          | 1,668,812    | (49,294)              |
| 122,738             | 17,974       | (104,764)             | 1,836,382           | 285,362     | (1,551,020)           |                    |              |                       |
| 27,819,531          | 22,801,853   | (5,017,678)           | 5,561,862           | 2,226,325   | (3,335,537)           | 4,284,810          | 4,050,172    | (234,638)             |
|                     |              |                       |                     |             |                       |                    |              |                       |
| (6,493,229)         | (746,713)    | 5,746,516             | (5,561,845)         | (2,226,308) | 3,335,537             | (3,495,282)        | (3,252,555)  | 242,727               |
|                     |              |                       |                     |             |                       |                    |              |                       |
| 3,855,585           | 3,855,585    | -                     | 170,024             | 170,024     | -                     | 3,984,073          | 3,984,073    | -                     |
| (4,200,454)         | (4,200,454)  | -                     | (170,024)           | (170,024)   | -                     | (1,061,443)        | (1,061,443)  | -                     |
| (344,869)           | (344,869)    | -                     | -                   | -           | -                     | 2,922,630          | 2,922,630    | -                     |
|                     |              |                       |                     |             |                       |                    |              |                       |
| (22,287)            | (22,287)     | -                     |                     |             |                       |                    |              |                       |
|                     |              |                       |                     |             |                       |                    |              |                       |
| (6,860,385)         | (1,113,869)  | 5,746,516             | (5,561,845)         | (2,226,308) | 3,335,537             | (572,652)          | (329,925)    | 242,727               |
|                     |              |                       |                     |             |                       |                    |              |                       |
| 1,851,686           | 1,851,686    | -                     | 2,675,754           | 2,675,754   | -                     | 1,889,328          | 1,889,328    | -                     |
|                     |              |                       |                     |             |                       |                    |              |                       |
| 1,851,686           | 1,851,686    | -                     | 2,675,754           | 2,675,754   | -                     | 1,889,328          | 1,889,328    | -                     |
|                     |              |                       |                     |             |                       |                    |              |                       |
| \$ (5,008,699)      | \$ 737,817   | \$ 5,746,516          | \$ (2,886,091)      | \$ 449,446  | \$ 3,335,537          | \$ 1,316,676       | \$ 1,559,403 | \$ 242,727            |

(continued)

**State of Illinois**

**Combined Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)**  
**All Budgeted Fund Groups**

For the Year Ended June 30, 2015 (Expressed in Thousands)

(continued)

|   | Federal Trust Funds   |                     |                       | Revolving Funds     |                  |                       |
|---|-----------------------|---------------------|-----------------------|---------------------|------------------|-----------------------|
|   | Final Budget          | Actual              | Variance Over (Under) | Final Budget        | Actual           | Variance Over (Under) |
| <b>REVENUES:</b>  |                       |                     |                       |                     |                  |                       |
| Income taxes  |                       |                     |                       |                     |                  |                       |
| Sales taxes   |                       |                     |                       |                     |                  |                       |
| Motor fuel taxes  |                       |                     |                       |                     |                  |                       |
| Public utility taxes  |                       |                     |                       |                     |                  |                       |
| Federal government  | \$ 4,637,853          | \$ 4,540,245        | \$ (97,608)           | \$ 2,009            | \$ 402           | \$ (1,607)            |
| Other   | 318,246               | 316,178             | (2,068)               | 561,124             | 605,591          | 44,467                |
| Less:   |                       |                     |                       |                     |                  |                       |
| Refunds   | 320                   | -                   | (320)                 | 9,202               | 231              | (8,971)               |
| <b>Total revenues</b>   | <b>4,955,779</b>      | <b>4,856,423</b>    | <b>(99,356)</b>       | <b>553,931</b>      | <b>605,762</b>   | <b>51,831</b>         |
| <b>EXPENDITURES:</b>  |                       |                     |                       |                     |                  |                       |
| Current:  |                       |                     |                       |                     |                  |                       |
| Health and social services  | 2,144,355             | 1,676,594           | (467,761)             |                     |                  |                       |
| Education   | 3,353,657             | 2,311,252           | (1,042,405)           |                     |                  |                       |
| General government  | 20,546                | 10,892              | (9,654)               | 821,210             | 628,114          | (193,096)             |
| Employment and economic development   | 1,304,737             | 510,389             | (794,348)             |                     |                  |                       |
| Transportation  | 91,793                | 91,791              | (2)                   | 900                 | 346              | (554)                 |
| Public protection and justice   | 130,259               | 69,897              | (60,362)              | 54,136              | 47,935           | (6,201)               |
| Environment and business regulation   | 254,927               | 99,861              | (155,066)             |                     |                  |                       |
| Debt service:   |                       |                     |                       |                     |                  |                       |
| Principal   |                       |                     |                       |                     |                  |                       |
| Interest  |                       |                     |                       |                     |                  |                       |
| Capital outlays   | 6,364                 | 557                 | (5,807)               | 19,664              | 4,378            | (15,286)              |
| <b>Total expenditures</b>   | <b>7,306,638</b>      | <b>4,771,233</b>    | <b>(2,535,405)</b>    | <b>895,910</b>      | <b>680,773</b>   | <b>(215,137)</b>      |
| <b>Excess (deficiency) of revenues over (under) expenditures</b>  | <b>(2,350,859)</b>    | <b>85,190</b>       | <b>2,436,049</b>      | <b>(341,979)</b>    | <b>(75,011)</b>  | <b>266,968</b>        |
| <b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>   |                       |                     |                       |                     |                  |                       |
| Operating transfers-in  | 43,028                | 43,028              | -                     | 128,122             | 128,122          | -                     |
| Operating transfers-out   | (29,057)              | (29,057)            | -                     | (2,552)             | (2,552)          | -                     |
| <b>Total other sources (uses) of financial resources</b>  | <b>13,971</b>         | <b>13,971</b>       | <b>-</b>              | <b>125,570</b>      | <b>125,570</b>   | <b>-</b>              |
| Budgetary funds-nonbudgeted accounts  | (9,659)               | (9,659)             | -                     |                     |                  |                       |
| <b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts</b> | <b>(2,346,547)</b>    | <b>89,502</b>       | <b>2,436,049</b>      | <b>(216,409)</b>    | <b>50,559</b>    | <b>266,968</b>        |
| Budgetary fund balances (deficits), July 1, 2014, as previously reported  | (243,944)             | (243,944)           | -                     | 46,388              | 46,388           | -                     |
| Reclassifications between budgetary/nonbudgetary funds-net  |                       |                     |                       |                     |                  |                       |
| Budgetary fund balances (deficits), July 1, 2014, as reclassified   | (243,944)             | (243,944)           | -                     | 46,388              | 46,388           | -                     |
| <b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2015</b>  | <b>\$ (2,590,491)</b> | <b>\$ (154,442)</b> | <b>\$ 2,436,049</b>   | <b>\$ (170,021)</b> | <b>\$ 96,947</b> | <b>\$ 266,968</b>     |

| State Trust Funds |             |                       | Total           |               |                       |
|-------------------|-------------|-----------------------|-----------------|---------------|-----------------------|
| Final Budget      | Actual      | Variance Over (Under) | Final Budget    | Actual        | Variance Over (Under) |
| \$ 958,361        | \$ 958,361  | \$ -                  | \$ 24,901,560   | \$ 22,396,863 | \$ (2,504,697)        |
| 32,611            | 32,611      | -                     | 9,808,541       | 10,033,715    | 225,174               |
| 240,231           | 240,231     | -                     | 1,305,107       | 1,325,883     | 20,776                |
| 107,082           | 231,138     | 124,056               | 1,730,505       | 1,713,403     | (17,102)              |
| 764,387           | 1,253,806   | 489,419               | 19,726,937      | 18,662,764    | (1,064,173)           |
|                   |             |                       | 14,965,758      | 16,769,234    | 1,803,476             |
| 312               | 181         | (131)                 | 2,506,918       | 2,480,846     | (26,072)              |
| 2,102,360         | 2,715,966   | 613,606               | 69,931,490      | 68,421,016    | (1,510,474)           |
| 422,489           | 298,347     | (124,142)             | 29,862,153      | 25,947,624    | (3,914,529)           |
| 18,709            | 2,269       | (16,440)              | 17,494,987      | 16,280,259    | (1,214,728)           |
| 144,436           | 124,584     | (19,852)              | 13,446,457      | 11,653,680    | (1,792,777)           |
| 4,914             | 1,063       | (3,851)               | 3,743,280       | 1,534,996     | (2,208,284)           |
|                   |             |                       | 6,238,226       | 5,696,369     | (541,857)             |
| 16,100            | 3,531       | (12,569)              | 3,093,258       | 2,604,208     | (489,050)             |
| 29,543            | 7,818       | (21,725)              | 2,243,576       | 1,300,498     | (943,078)             |
|                   |             |                       | 2,566,704       | 2,381,360     | (185,344)             |
|                   |             |                       | 1,718,106       | 1,668,812     | (49,294)              |
| 1,852             | 373         | (1,479)               | 2,082,882       | 371,834       | (1,711,048)           |
| 638,043           | 437,985     | (200,058)             | 82,489,629      | 69,439,640    | (13,049,989)          |
| 1,464,317         | 2,277,981   | 813,664               | (12,558,139)    | (1,018,624)   | 11,539,515            |
|                   |             |                       | 19,740,519      | 19,740,519    | -                     |
| (332,775)         | (332,775)   | -                     | (19,199,649)    | (19,199,649)  | -                     |
| (332,775)         | (332,775)   | -                     | 540,870         | 540,870       | -                     |
| (1,941,297)       | (1,941,297) | -                     | (1,973,243)     | (1,973,243)   | -                     |
| (809,755)         | 3,909       | 813,664               | (13,990,512)    | (2,450,997)   | 11,539,515            |
| 557,988           | 557,988     | -                     | 4,057,990       | 4,057,990     | -                     |
| (249,022)         | (249,022)   | -                     | (249,022)       | (249,022)     | -                     |
| 308,966           | 308,966     | -                     | 3,808,968       | 3,808,968     | -                     |
| \$ (500,789)      | \$ 312,875  | \$ 813,664            | \$ (10,181,544) | \$ 1,357,971  | \$ 11,539,515         |

**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) General Funds**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|  | General Revenue     |                       |                       | Common School Special Account |                    |                       |
|--|---------------------|-----------------------|-----------------------|-------------------------------|--------------------|-----------------------|
|  | Final Budget        | Actual                | Variance Over (Under) | Final Budget                  | Actual             | Variance Over (Under) |
| <b>REVENUES:</b>   |                     |                       |                       |                               |                    |                       |
| Income taxes   | \$ 19,081,000       | \$ 16,761,031         | \$ (2,319,969)        |                               |                    |                       |
| Sales taxes  | 5,885,000           | 6,032,513             | 147,513               | \$ 1,962,000                  | \$ 1,997,732       | \$ 35,732             |
| Public utility taxes   | 945,000             | 921,224               | (23,776)              |                               |                    |                       |
| Federal government   | 4,461,000           | 3,295,932             | (1,165,068)           |                               |                    |                       |
| Other  | 1,889,000           | 2,320,484             | 431,484               |                               |                    |                       |
| Less:  |                     |                       |                       |                               |                    |                       |
| Refunds  | 1,071               | 285                   | (786)                 |                               |                    |                       |
| <b>Total revenues</b>  | <b>32,259,929</b>   | <b>29,330,899</b>     | <b>(2,929,030)</b>    | <b>1,962,000</b>              | <b>1,997,732</b>   | <b>35,732</b>         |
| <b>EXPENDITURES:</b>   |                     |                       |                       |                               |                    |                       |
| Current:   |                     |                       |                       |                               |                    |                       |
| Health and social services   | 12,427,432          | 11,613,863            | (813,569)             |                               |                    |                       |
| Education  | 4,255,824           | 4,242,600             | (13,224)              |                               |                    |                       |
| General government   | 3,479,178           | 3,391,707             | (87,471)              |                               |                    |                       |
| Employment and economic development  | 103,504             | 72,535                | (30,969)              |                               |                    |                       |
| Transportation   | 5,562               | 5,223                 | (339)                 |                               |                    |                       |
| Public protection and justice  | 2,238,598           | 2,205,503             | (33,095)              |                               |                    |                       |
| Environment and business regulation  | 95,430              | 84,723                | (10,707)              |                               |                    |                       |
| Capital outlays  | 15,698              | 12,765                | (2,933)               |                               |                    |                       |
| <b>Total expenditures</b>  | <b>22,621,226</b>   | <b>21,628,919</b>     | <b>(992,307)</b>      |                               |                    |                       |
| <b>Excess (deficiency) of revenues over (under) expenditures</b>   | <b>9,638,703</b>    | <b>7,701,980</b>      | <b>(1,936,723)</b>    | <b>1,962,000</b>              | <b>1,997,732</b>   | <b>35,732</b>         |
| <b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>  |                     |                       |                       |                               |                    |                       |
| Operating transfers-in   | 2,808,467           | 2,808,467             | -                     |                               |                    |                       |
| Operating transfers-out  | (9,614,765)         | (9,614,765)           | -                     | (1,933,260)                   | (1,933,260)        | -                     |
| <b>Total other sources (uses) of financial resources</b>   | <b>(6,806,298)</b>  | <b>(6,806,298)</b>    | <b>-</b>              | <b>(1,933,260)</b>            | <b>(1,933,260)</b> | <b>-</b>              |
| <b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b> | <b>2,832,405</b>    | <b>895,682</b>        | <b>(1,936,723)</b>    | <b>28,740</b>                 | <b>64,472</b>      | <b>35,732</b>         |
| Budgetary fund balances (deficits), July 1, 2014   | (3,295,307)         | (3,295,307)           | -                     | 56,382                        | 56,382             | -                     |
| <b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2015</b>   | <b>\$ (462,902)</b> | <b>\$ (2,399,625)</b> | <b>\$ (1,936,723)</b> | <b>\$ 85,122</b>              | <b>\$ 120,854</b>  | <b>\$ 35,732</b>      |

| Education Assistance |              |                       | Common School |              |                       | Total         |                |                       |
|----------------------|--------------|-----------------------|---------------|--------------|-----------------------|---------------|----------------|-----------------------|
| Final Budget         | Actual       | Variance Over (Under) | Final Budget  | Actual       | Variance Over (Under) | Final Budget  | Actual         | Variance Over (Under) |
| \$ 1,546,000         | \$ 1,358,316 | \$ (187,684)          |               |              |                       | \$ 20,627,000 | \$ 18,119,347  | \$ (2,507,653)        |
|                      |              |                       | \$ 86,000     | \$ 84,397    | \$ (1,603)            | 7,847,000     | 8,030,245      | 183,245               |
| -                    | 301          | 301                   | 100,000       | 100,085      | 85                    | 1,031,000     | 1,005,621      | (25,379)              |
|                      |              |                       |               |              |                       | 4,461,000     | 3,295,932      | (1,165,068)           |
|                      |              |                       |               |              |                       | 1,989,000     | 2,420,870      | 431,870               |
|                      |              |                       |               |              |                       | 1,071         | 285            | (786)                 |
| 1,546,000            | 1,358,617    | (187,383)             | 186,000       | 184,482      | (1,518)               | 35,953,929    | 32,871,730     | (3,082,199)           |
|                      |              |                       |               |              |                       |               |                |                       |
| 1,771,504            | 1,764,427    | (7,077)               | 7,401,642     | 7,366,642    | (35,000)              | 12,427,432    | 11,613,863     | (813,569)             |
|                      |              |                       |               |              |                       | 13,428,970    | 13,373,669     | (55,301)              |
|                      |              |                       |               |              |                       | 3,479,178     | 3,391,707      | (87,471)              |
|                      |              |                       |               |              |                       | 103,504       | 72,535         | (30,969)              |
|                      |              |                       |               |              |                       | 5,562         | 5,223          | (339)                 |
|                      |              |                       |               |              |                       | 2,238,598     | 2,205,503      | (33,095)              |
|                      |              |                       |               |              |                       | 95,430        | 84,723         | (10,707)              |
| 3,392                | 3,344        | (48)                  |               |              |                       | 19,090        | 16,109         | (2,981)               |
| 1,774,896            | 1,767,771    | (7,125)               | 7,401,642     | 7,366,642    | (35,000)              | 31,797,764    | 30,763,332     | (1,034,432)           |
|                      |              |                       |               |              |                       |               |                |                       |
| (228,896)            | (409,154)    | (180,258)             | (7,215,642)   | (7,182,160)  | 33,482                | 4,156,165     | 2,108,398      | (2,047,767)           |
|                      |              |                       |               |              |                       |               |                |                       |
| 457,029              | 457,029      | -                     | 7,215,122     | 7,215,122    | -                     | 10,480,618    | 10,480,618     | -                     |
| (9,698)              | (9,698)      | -                     | (397)         | (397)        | -                     | (11,558,120)  | (11,558,120)   | -                     |
| 447,331              | 447,331      | -                     | 7,214,725     | 7,214,725    | -                     | (1,077,502)   | (1,077,502)    | -                     |
|                      |              |                       |               |              |                       |               |                |                       |
| 218,435              | 38,177       | (180,258)             | (917)         | 32,565       | 33,482                | 3,078,663     | 1,030,896      | (2,047,767)           |
|                      |              |                       |               |              |                       |               |                |                       |
| (318,787)            | (318,787)    | -                     | (372,914)     | (372,914)    | -                     | (3,930,626)   | (3,930,626)    | -                     |
|                      |              |                       |               |              |                       |               |                |                       |
| \$ (100,352)         | \$ (280,610) | \$ (180,258)          | \$ (373,831)  | \$ (340,349) | \$ 33,482             | \$ (851,963)  | \$ (2,899,730) | \$ (2,047,767)        |

**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Highway Funds**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|  | Road              |                   |                       | Motor Fuel Tax - State |                    |                       |
|--|-------------------|-------------------|-----------------------|------------------------|--------------------|-----------------------|
|  | Final Budget      | Actual            | Variance Over (Under) | Final Budget           | Actual             | Variance Over (Under) |
| <b>REVENUES:</b>   |                   |                   |                       |                        |                    |                       |
| Motor fuel taxes   |                   |                   |                       | \$ 1,197,100           | \$ 1,222,556       | \$ 25,456             |
| Federal government   | \$ 1,649,300      | \$ 1,721,177      | \$ 71,877             | -                      | 64                 | 64                    |
| Other  | 954,300           | 1,084,881         | 130,581               | -                      | 939                | 939                   |
| Less:  |                   |                   |                       |                        |                    |                       |
| Refunds  | 2,756             | 2,713             | (43)                  | 22,000                 | 17,020             | (4,980)               |
| <b>Total revenues</b>  | <b>2,600,844</b>  | <b>2,803,345</b>  | <b>202,501</b>        | <b>1,175,100</b>       | <b>1,206,539</b>   | <b>31,439</b>         |
| <b>EXPENDITURES:</b>   |                   |                   |                       |                        |                    |                       |
| Current:   |                   |                   |                       |                        |                    |                       |
| General government   | 124,832           | 124,079           | (753)                 | 50,774                 | 49,345             | (1,429)               |
| Employment and economic development  | 1,900             | 1,900             | -                     |                        |                    |                       |
| Transportation   | 2,682,704         | 2,344,396         | (338,308)             | 15,140                 | 13,568             | (1,572)               |
| Capital outlays  | 76,770            | 47,076            | (29,694)              | 22                     | 5                  | (17)                  |
| <b>Total expenditures</b>  | <b>2,886,206</b>  | <b>2,517,451</b>  | <b>(368,755)</b>      | <b>65,936</b>          | <b>62,918</b>      | <b>(3,018)</b>        |
| <b>Excess (deficiency) of revenues over (under) expenditures</b>   | <b>(285,362)</b>  | <b>285,894</b>    | <b>571,256</b>        | <b>1,109,164</b>       | <b>1,143,621</b>   | <b>34,457</b>         |
| <b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>  |                   |                   |                       |                        |                    |                       |
| Operating transfers-in   | 288,540           | 288,540           | -                     |                        |                    |                       |
| Operating transfers-out  | (617,934)         | (617,934)         | -                     | (1,164,191)            | (1,164,191)        | -                     |
| <b>Total other sources (uses) of financial resources</b>   | <b>(329,394)</b>  | <b>(329,394)</b>  | <b>-</b>              | <b>(1,164,191)</b>     | <b>(1,164,191)</b> | <b>-</b>              |
| <b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b> | <b>(614,756)</b>  | <b>(43,500)</b>   | <b>571,256</b>        | <b>(55,027)</b>        | <b>(20,570)</b>    | <b>34,457</b>         |
| Budgetary fund balances (deficits), July 1, 2014   | 831,874           | 831,874           | -                     | 105,757                | 105,757            | -                     |
| <b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2015</b>   | <b>\$ 217,118</b> | <b>\$ 788,374</b> | <b>\$ 571,256</b>     | <b>\$ 50,730</b>       | <b>\$ 85,187</b>   | <b>\$ 34,457</b>      |

| Motor Fuel Tax - Municipalities |             |                       | State Construction Account |            |                       | Other        |           |                       |
|---------------------------------|-------------|-----------------------|----------------------------|------------|-----------------------|--------------|-----------|-----------------------|
| Final Budget                    | Actual      | Variance Over (Under) | Final Budget               | Actual     | Variance Over (Under) | Final Budget | Actual    | Variance Over (Under) |
| \$ -                            | \$ 23       | \$ 23                 | \$ 473,700                 | \$ 508,441 | \$ 34,741             | \$ -         | \$ 13     | \$ 13                 |
| -                               | 23          | 23                    | 473,700                    | 508,441    | 34,741                | -            | 13        | 13                    |
| 298,040                         | 262,416     | (35,624)              | 570,573                    | 540,424    | (30,149)              | 364,316      | 324,758   | (39,558)              |
| 298,040                         | 262,416     | (35,624)              | 570,573                    | 540,424    | (30,149)              | 364,316      | 324,758   | (39,558)              |
| (298,040)                       | (262,393)   | 35,647                | (96,873)                   | (31,983)   | 64,890                | (364,316)    | (324,745) | 39,571                |
| 268,276                         | 268,276     | -                     | 202,142                    | 202,142    | -                     | 320,111      | 320,111   | -                     |
| 268,276                         | 268,276     | -                     | (50,095)                   | (50,095)   | -                     | (13,004)     | (13,004)  | -                     |
|                                 |             |                       | 152,047                    | 152,047    | -                     | 307,107      | 307,107   | -                     |
| (29,764)                        | 5,883       | 35,647                | 55,174                     | 120,064    | 64,890                | (57,209)     | (17,638)  | 39,571                |
| (21,665)                        | (21,665)    | -                     | 270,376                    | 270,376    | -                     | 25,074       | 25,074    | -                     |
| \$ (51,429)                     | \$ (15,782) | \$ 35,647             | \$ 325,550                 | \$ 390,440 | \$ 64,890             | \$ (32,135)  | \$ 7,436  | \$ 39,571             |

(continued)

**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Highway Funds**

For the Year Ended June 30, 2015 (Expressed in Thousands)

(continued)

|   | Final<br>Budget   | Actual              | Total             | Variance<br>Over (Under) |
|---|-------------------|---------------------|-------------------|--------------------------|
| <b>REVENUES:</b>  |                   |                     |                   |                          |
| Motor fuel taxes  | \$ 1,197,100      | \$ 1,222,556        | \$ 25,456         |                          |
| Federal government  | 1,649,300         | 1,721,241           | 71,941            |                          |
| Other   | 1,428,000         | 1,594,297           | 166,297           |                          |
| Less:   |                   |                     |                   |                          |
| Refunds   | 24,756            | 19,733              | (5,023)           |                          |
| <b>Total revenues</b>   | <b>4,249,644</b>  | <b>4,518,361</b>    | <b>268,717</b>    |                          |
| <b>EXPENDITURES:</b>  |                   |                     |                   |                          |
| Current:  |                   |                     |                   |                          |
| General government  | 175,606           | 173,424             | (2,182)           |                          |
| Employment and economic development   | 1,900             | 1,900               | -                 |                          |
| Transportation  | 3,930,773         | 3,485,562           | (445,211)         |                          |
| Capital outlays   | 76,792            | 47,081              | (29,711)          |                          |
| <b>Total expenditures</b>   | <b>4,185,071</b>  | <b>3,707,967</b>    | <b>(477,104)</b>  |                          |
| Excess (deficiency) of revenues over (under) expenditures   | 64,573            | 810,394             | 745,821           |                          |
| <b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>   |                   |                     |                   |                          |
| Operating transfers-in  | 1,079,069         | 1,079,069           | -                 |                          |
| Operating transfers-out   | (1,845,224)       | (1,845,224)         | -                 |                          |
| <b>Total other sources (uses) of financial resources</b>  | <b>(766,155)</b>  | <b>(766,155)</b>    | <b>-</b>          |                          |
| Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources | (701,582)         | 44,239              | 745,821           |                          |
| Budgetary fund balances (deficits), July 1, 2014  | 1,211,416         | 1,211,416           | -                 |                          |
| <b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2015</b>  | <b>\$ 509,834</b> | <b>\$ 1,255,655</b> | <b>\$ 745,821</b> |                          |

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**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|   | Elected Officials |                   |                           | Code Departments      |                     |                       |
|---|-------------------|-------------------|---------------------------|-----------------------|---------------------|-----------------------|
|   | Comptroller       |                   | Budget Stabilization Fund |                       | Code Departments    |                       |
|   | Final Budget      | Actual            | Variance Over (Under)     | Final Budget          | Actual              | Variance Over (Under) |
| <b>REVENUES:</b>  |                   |                   |                           |                       |                     |                       |
| Income taxes  |                   |                   | \$ 1,360,012              | \$ 1,360,012          | \$ -                | \$ -                  |
| Sales taxes   |                   |                   | 787,734                   | 826,340               |                     | 38,606                |
| Motor fuel taxes  |                   |                   |                           |                       |                     |                       |
| Public utility taxes  |                   |                   | 203,339                   | 203,339               |                     | -                     |
| Federal government  |                   |                   | 6,733,862                 | 7,011,508             |                     | 277,646               |
| Other   | \$ 43             | \$ 43             | \$ -                      | 6,654,698             | 7,439,463           | 784,765               |
| Less:   |                   |                   |                           |                       |                     |                       |
| Refunds   |                   |                   |                           | 8,850                 | 314                 | (8,536)               |
| <b>Total revenues</b>   | <b>43</b>         | <b>43</b>         | <b>-</b>                  | <b>15,730,795</b>     | <b>16,840,348</b>   | <b>1,109,553</b>      |
| <b>EXPENDITURES:</b>  |                   |                   |                           |                       |                     |                       |
| Current:  |                   |                   |                           |                       |                     |                       |
| Health and social services  |                   |                   | 12,458,487                | 10,661,000            |                     | (1,797,487)           |
| Education   |                   |                   | 19,367                    | 17,979                |                     | (1,388)               |
| General government  |                   |                   | 7,437,664                 | 6,530,771             |                     | (906,893)             |
| Employment and economic development   |                   |                   |                           |                       |                     |                       |
| Transportation  |                   |                   | 493,000                   | 490,943               |                     | (2,057)               |
| Public protection and justice   |                   |                   |                           |                       |                     |                       |
| Environment and business regulation   |                   |                   |                           |                       |                     |                       |
| Capital outlays   |                   |                   |                           | 455                   | 5                   | (450)                 |
| <b>Total expenditures</b>   | <b></b>           | <b></b>           | <b></b>                   | <b>20,408,973</b>     | <b>17,700,698</b>   | <b>(2,708,275)</b>    |
| <b>Excess (deficiency) of revenues over (under) expenditures</b>  | <b>43</b>         | <b>43</b>         | <b>-</b>                  | <b>(4,678,178)</b>    | <b>(860,350)</b>    | <b>3,817,828</b>      |
| <b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>   |                   |                   |                           |                       |                     |                       |
| Operating transfers-in  | 275,000           | 275,000           | -                         | 2,463,074             | 2,463,074           | -                     |
| Operating transfers-out   | (275,000)         | (275,000)         | -                         | (1,853,253)           | (1,853,253)         | -                     |
| <b>Total other sources (uses) of financial resources</b>  | <b>-</b>          | <b>-</b>          | <b>-</b>                  | <b>609,821</b>        | <b>609,821</b>      | <b>-</b>              |
| Budgetary funds-nonbudgeted accounts  |                   |                   |                           | (8,762)               | (8,762)             | -                     |
| <b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts</b> | <b>43</b>         | <b>43</b>         | <b>-</b>                  | <b>(4,077,119)</b>    | <b>(259,291)</b>    | <b>3,817,828</b>      |
| Budgetary fund balances (deficits), July 1, 2014  | 275,705           | 275,705           | -                         | (357,258)             | (357,258)           | -                     |
| <b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2015</b>  | <b>\$ 275,748</b> | <b>\$ 275,748</b> | <b>\$ -</b>               | <b>\$ (4,434,377)</b> | <b>\$ (616,549)</b> | <b>\$ 3,817,828</b>   |

| Agencies, Boards & Commissions |             |                       | Other        |              |                       | Total          |              |                       |
|--------------------------------|-------------|-----------------------|--------------|--------------|-----------------------|----------------|--------------|-----------------------|
| Final Budget                   | Actual      | Variance Over (Under) | Final Budget | Actual       | Variance Over (Under) | Final Budget   | Actual       | Variance Over (Under) |
|                                |             |                       | \$ 2,914,548 | \$ 2,917,504 | \$ 2,956              | \$ 4,274,560   | \$ 4,277,516 | \$ 2,956              |
|                                |             |                       | 159,565      | 162,888      | 3,323                 | 947,299        | 989,228      | 41,929                |
|                                |             |                       | 75,396       | 70,716       | (4,680)               | 75,396         | 70,716       | (4,680)               |
| \$ 77,213                      | \$ 72,397   | \$ (4,816)            | 178,722      | 191,815      | 13,093                | 459,274        | 467,551      | 8,277                 |
| 232,400                        | 140,896     | (91,504)              | 1,847,143    | 1,655,792    | (191,351)             | 8,813,405      | 8,808,196    | (5,209)               |
| 985,354                        | 833,464     | (151,890)             | 1,587,530    | 1,629,379    | 41,849                | 9,227,625      | 9,902,349    | 674,724               |
| 50                             | -           | (50)                  | 2,462,357    | 2,460,102    | (2,255)               | 2,471,257      | 2,460,416    | (10,841)              |
| 1,294,917                      | 1,046,757   | (248,160)             | 4,300,547    | 4,167,992    | (132,555)             | 21,326,302     | 22,055,140   | 728,838               |
|                                |             |                       |              |              |                       |                |              |                       |
| 1,030                          | 767         | (263)                 | 2,406,611    | 1,696,396    | (710,215)             | 14,866,128     | 12,358,163   | (2,507,965)           |
| 600                            | 187         | (413)                 | 505,950      | 475,057      | (30,893)              | 525,917        | 493,223      | (32,694)              |
| 170,932                        | 143,776     | (27,156)              | 482,300      | 305,161      | (177,139)             | 8,090,896      | 6,979,708    | (1,111,188)           |
|                                |             |                       | 1,106,435    | 686,976      | (419,459)             | 1,106,435      | 686,976      | (419,459)             |
|                                |             |                       | 521,793      | 428,284      | (93,509)              | 1,014,793      | 919,227      | (95,566)              |
|                                |             |                       | 654,165      | 277,342      | (376,823)             | 654,165        | 277,342      | (376,823)             |
| 482,504                        | 448,297     | (34,207)              | 955,955      | 620,943      | (335,012)             | 1,438,459      | 1,069,240    | (369,219)             |
| 50                             | 4           | (46)                  | 122,233      | 17,965       | (104,268)             | 122,738        | 17,974       | (104,764)             |
| 655,116                        | 593,031     | (62,085)              | 6,755,442    | 4,508,124    | (2,247,318)           | 27,819,531     | 22,801,853   | (5,017,678)           |
|                                |             |                       |              |              |                       |                |              |                       |
| 639,801                        | 453,726     | (186,075)             | (2,454,895)  | (340,132)    | 2,114,763             | (6,493,229)    | (746,713)    | 5,746,516             |
|                                |             |                       |              |              |                       |                |              |                       |
| 157,457                        | 157,457     | -                     | 960,054      | 960,054      | -                     | 3,855,585      | 3,855,585    | -                     |
| (867,611)                      | (867,611)   | -                     | (1,204,590)  | (1,204,590)  | -                     | (4,200,454)    | (4,200,454)  | -                     |
| (710,154)                      | (710,154)   | -                     | (244,536)    | (244,536)    | -                     | (344,869)      | (344,869)    | -                     |
|                                |             |                       |              |              |                       |                |              |                       |
| (13,272)                       | (13,272)    | -                     | (253)        | (253)        | -                     | (22,287)       | (22,287)     | -                     |
|                                |             |                       |              |              |                       |                |              |                       |
| (83,625)                       | (269,700)   | (186,075)             | (2,699,684)  | (584,921)    | 2,114,763             | (6,860,385)    | (1,113,869)  | 5,746,516             |
|                                |             |                       |              |              |                       |                |              |                       |
| 206,492                        | 206,492     | -                     | 1,726,747    | 1,726,747    | -                     | 1,851,686      | 1,851,686    | -                     |
|                                |             |                       |              |              |                       |                |              |                       |
| \$ 122,867                     | \$ (63,208) | \$ (186,075)          | \$ (972,937) | \$ 1,141,826 | \$ 2,114,763          | \$ (5,008,699) | \$ 737,817   | \$ 5,746,516          |

**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)**  
**Special State Funds - Code Departments**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|  | Central Management Services |                     |                          | Healthcare and Family Services |                     |                          |
|--|-----------------------------|---------------------|--------------------------|--------------------------------|---------------------|--------------------------|
|  | Health Insurance Reserve    |                     | Variance<br>Over (Under) | Healthcare and Family Services |                     | Variance<br>Over (Under) |
|  | Final<br>Budget             | Actual              |                          | Final<br>Budget                | Actual              |                          |
| <b>REVENUES:</b>   |                             |                     |                          |                                |                     |                          |
| Income taxes   | \$ -                        | \$ 6,994            | \$ 6,994                 | \$ 6,292,106                   | \$ 6,567,792        | \$ 275,686               |
| Sales taxes  |                             |                     |                          |                                |                     |                          |
| Public utility taxes   |                             |                     |                          |                                |                     |                          |
| Federal government   | \$ 2,526,459                | \$ 2,472,239        | \$ (54,220)              | \$ 2,569,743                   | \$ 3,242,569        | \$ 672,826               |
| Other  |                             |                     |                          |                                |                     |                          |
| Less:  |                             |                     |                          |                                |                     |                          |
| Refunds  |                             |                     |                          |                                |                     |                          |
| <b>Total revenues</b>  | <b>2,526,459</b>            | <b>2,479,233</b>    | <b>(47,226)</b>          | <b>8,853,099</b>               | <b>9,810,094</b>    | <b>956,995</b>           |
| <b>EXPENDITURES:</b>   |                             |                     |                          |                                |                     |                          |
| Current:   |                             |                     |                          |                                |                     |                          |
| Health and social services   |                             |                     |                          |                                |                     |                          |
| Education  |                             |                     |                          |                                |                     |                          |
| General government   | 3,063,093                   | 2,455,202           | (607,891)                |                                |                     |                          |
| Transportation   |                             |                     |                          |                                |                     |                          |
| Capital outlays  |                             |                     |                          |                                |                     |                          |
| <b>Total expenditures</b>  | <b>3,063,093</b>            | <b>2,455,202</b>    | <b>(607,891)</b>         | <b>11,984,452</b>              | <b>10,223,188</b>   | <b>(1,761,264)</b>       |
| <b>Excess (deficiency) of revenues over (under) expenditures</b>   | <b>(536,634)</b>            | <b>24,031</b>       | <b>560,665</b>           | <b>(3,131,353)</b>             | <b>(413,094)</b>    | <b>2,718,259</b>         |
| <b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>  |                             |                     |                          |                                |                     |                          |
| Operating transfers-in   |                             |                     |                          | 397,356                        | 397,356             | -                        |
| Operating transfers-out  |                             |                     |                          | (200,103)                      | (200,103)           | -                        |
| <b>Total other sources (uses) of financial resources</b>   |                             |                     |                          | <b>197,253</b>                 | <b>197,253</b>      | <b>-</b>                 |
| Budgetary funds-nonbudgeted accounts   |                             |                     |                          |                                |                     |                          |
| Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts | (536,634)                   | 24,031              | 560,665                  | (2,934,100)                    | (215,841)           | 2,718,259                |
| Budgetary fund balances (deficits), July 1, 2014   | (139,457)                   | (139,457)           | -                        | (425,140)                      | (425,140)           | -                        |
| <b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2015</b>   | <b>\$ (676,091)</b>         | <b>\$ (115,426)</b> | <b>\$ 560,665</b>        | <b>\$ (3,359,240)</b>          | <b>\$ (640,981)</b> | <b>\$ 2,718,259</b>      |

| Revenue      |              |                       | Transportation        |           |                       | Other                  |             |                       |
|--------------|--------------|-----------------------|-----------------------|-----------|-----------------------|------------------------|-------------|-----------------------|
| Final Budget | Actual       | Variance Over (Under) | Public Transportation |           |                       | Other Code Departments |             |                       |
|              |              |                       | Final Budget          | Actual    | Variance Over (Under) | Final Budget           | Actual      | Variance Over (Under) |
| \$ 1,360,012 | \$ 1,360,012 | \$ -                  |                       |           |                       |                        |             |                       |
| 787,734      | 826,340      | 38,606                |                       |           |                       |                        |             |                       |
| 203,339      | 203,339      | -                     |                       |           |                       |                        |             |                       |
| 133,824      | 133,824      | -                     |                       |           |                       | \$ 441,756             | \$ 436,722  | \$ (5,034)            |
|              |              |                       |                       |           |                       | 1,424,672              | 1,590,831   | 166,159               |
|              |              |                       |                       |           |                       | 100                    | 47          | (53)                  |
| 2,484,909    | 2,523,515    | 38,606                |                       |           |                       | 1,866,328              | 2,027,506   | 161,178               |
|              |              |                       |                       |           |                       |                        |             |                       |
| 19,367       | 17,979       | (1,388)               |                       |           |                       | 474,035                | 437,812     | (36,223)              |
| 3,144,527    | 3,132,422    | (12,105)              | \$ 1,611              | \$ 965    | \$ (646)              | 1,228,433              | 942,182     | (286,251)             |
|              |              |                       | 493,000               | 490,943   | (2,057)               |                        |             |                       |
| 5            | -            | (5)                   |                       |           |                       | 450                    | 5           | (445)                 |
| 3,163,899    | 3,150,401    | (13,498)              | 494,611               | 491,908   | (2,703)               | 1,702,918              | 1,379,999   | (322,919)             |
|              |              |                       |                       |           |                       |                        |             |                       |
| (678,990)    | (626,886)    | 52,104                | (494,611)             | (491,908) | 2,703                 | 163,410                | 647,507     | 484,097               |
|              |              |                       |                       |           |                       |                        |             |                       |
| 1,566,736    | 1,566,736    | -                     | 498,762               | 498,762   | -                     | 220                    | 220         | -                     |
| (973,928)    | (973,928)    | -                     | (63)                  | (63)      | -                     | (679,159)              | (679,159)   | -                     |
| 592,808      | 592,808      | -                     | 498,699               | 498,699   | -                     | (678,939)              | (678,939)   | -                     |
|              |              |                       |                       |           |                       |                        |             |                       |
| (762)        | (762)        | -                     |                       |           |                       | (8,000)                | (8,000)     | -                     |
|              |              |                       |                       |           |                       |                        |             |                       |
| (86,944)     | (34,840)     | 52,104                | 4,088                 | 6,791     | 2,703                 | (523,529)              | (39,432)    | 484,097               |
|              |              |                       |                       |           |                       |                        |             |                       |
| 248,181      | 248,181      | -                     | (1,986)               | (1,986)   | -                     | (38,856)               | (38,856)    | -                     |
|              |              |                       |                       |           |                       |                        |             |                       |
| \$ 161,237   | \$ 213,341   | \$ 52,104             | \$ 2,102              | \$ 4,805  | \$ 2,703              | \$ (562,385)           | \$ (78,288) | \$ 484,097            |

(continued)

**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)**  
**Special State Funds - Code Departments**

For the Year Ended June 30, 2015 (Expressed in Thousands)

(continued)

|   | Final<br>Budget       | Actual              | Total<br>Variance<br>Over (Under) |
|---|-----------------------|---------------------|-----------------------------------|
| <b>REVENUES:</b>  |                       |                     |                                   |
| Income taxes  | \$ 1,360,012          | \$ 1,360,012        | \$ -                              |
| Sales taxes   | 787,734               | 826,340             | 38,606                            |
| Public utility taxes  | 203,339               | 203,339             | -                                 |
| Federal government  | 6,733,862             | 7,011,508           | 277,646                           |
| Other   | 6,654,698             | 7,439,463           | 784,765                           |
| Less:   |                       |                     |                                   |
| Refunds   | 8,850                 | 314                 | (8,536)                           |
| <b>Total revenues</b>   | <b>15,730,795</b>     | <b>16,840,348</b>   | <b>1,109,553</b>                  |
| <b>EXPENDITURES:</b>  |                       |                     |                                   |
| Current:  |                       |                     |                                   |
| Health and social services  | 12,458,487            | 10,661,000          | (1,797,487)                       |
| Education   | 19,367                | 17,979              | (1,388)                           |
| General government  | 7,437,664             | 6,530,771           | (906,893)                         |
| Transportation  | 493,000               | 490,943             | (2,057)                           |
| Capital outlays   | 455                   | 5                   | (450)                             |
| <b>Total expenditures</b>   | <b>20,408,973</b>     | <b>17,700,698</b>   | <b>(2,708,275)</b>                |
| <b>Excess (deficiency) of revenues over (under) expenditures</b>  | <b>(4,678,178)</b>    | <b>(860,350)</b>    | <b>3,817,828</b>                  |
| <b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>   |                       |                     |                                   |
| Operating transfers-in  | 2,463,074             | 2,463,074           | -                                 |
| Operating transfers-out   | (1,853,253)           | (1,853,253)         | -                                 |
| <b>Total other sources (uses) of financial resources</b>  | <b>609,821</b>        | <b>609,821</b>      | <b>-</b>                          |
| <b>Budgetary funds-nonbudgeted accounts</b>   | <b>(8,762)</b>        | <b>(8,762)</b>      | <b>-</b>                          |
| <b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts</b> | <b>(4,077,119)</b>    | <b>(259,291)</b>    | <b>3,817,828</b>                  |
| Budgetary fund balances (deficits), July 1, 2014  | (357,258)             | (357,258)           | -                                 |
| <b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2015</b>  | <b>\$ (4,434,377)</b> | <b>\$ (616,549)</b> | <b>\$ 3,817,828</b>               |

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**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Healthcare and Family Services**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|  | County Provider Trust |                    |                       | Long Term Care Provider |                   |                       |
|--|-----------------------|--------------------|-----------------------|-------------------------|-------------------|-----------------------|
|  | Final Budget          | Actual             | Variance Over (Under) | Final Budget            | Actual            | Variance Over (Under) |
| <b>REVENUES:</b>   |                       |                    |                       |                         |                   |                       |
| Federal government   | \$ 1,566,691          | \$ 1,470,942       | \$ (95,749)           | \$ 221,469              | \$ 217,745        | \$ (3,724)            |
| Other  | 682,744               | 692,906            | 10,162                | 207,279                 | 203,206           | (4,073)               |
| Less:  |                       |                    |                       |                         |                   |                       |
| Refunds  | 1,000                 | -                  | (1,000)               | 2,750                   | 267               | (2,483)               |
| <b>Total revenues</b>  | <b>2,248,435</b>      | <b>2,163,848</b>   | <b>(84,587)</b>       | <b>425,998</b>          | <b>420,684</b>    | <b>(5,314)</b>        |
| <b>EXPENDITURES:</b>   |                       |                    |                       |                         |                   |                       |
| Current:   |                       |                    |                       |                         |                   |                       |
| Health and social services   | 2,525,000             | 2,174,297          | (350,703)             | 704,090                 | 416,791           | (287,299)             |
| <b>Total expenditures</b>  | <b>2,525,000</b>      | <b>2,174,297</b>   | <b>(350,703)</b>      | <b>704,090</b>          | <b>416,791</b>    | <b>(287,299)</b>      |
| <b>Excess (deficiency) of revenues over (under) expenditures</b>   | <b>(276,565)</b>      | <b>(10,449)</b>    | <b>266,116</b>        | <b>(278,092)</b>        | <b>3,893</b>      | <b>281,985</b>        |
| <b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>  |                       |                    |                       |                         |                   |                       |
| Operating transfers-in   |                       |                    |                       | 30,002                  | 30,002            | -                     |
| Operating transfers-out  |                       |                    |                       | (20,008)                | (20,008)          | -                     |
| <b>Total other sources (uses) of financial resources</b>   | <b></b>               | <b></b>            | <b>9,994</b>          | <b>9,994</b>            | <b>-</b>          | <b>-</b>              |
| <b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b> | <b>(276,565)</b>      | <b>(10,449)</b>    | <b>266,116</b>        | <b>(268,098)</b>        | <b>13,887</b>     | <b>281,985</b>        |
| Budgetary fund balances (deficits), July 1, 2014   | (13,532)              | (13,532)           | -                     | (20,252)                | (20,252)          | -                     |
| <b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2015</b>   | <b>\$ (290,097)</b>   | <b>\$ (23,981)</b> | <b>\$ 266,116</b>     | <b>\$ (288,350)</b>     | <b>\$ (6,365)</b> | <b>\$ 281,985</b>     |

| Hospital Provider         |                           |                       | Drug Rebate Fund  |                   |                       | Healthcare Provider Relief |                           |                         |
|---------------------------|---------------------------|-----------------------|-------------------|-------------------|-----------------------|----------------------------|---------------------------|-------------------------|
| Final Budget              | Actual                    | Variance Over (Under) | Final Budget      | Actual            | Variance Over (Under) | Final Budget               | Actual                    | Variance Over (Under)   |
| \$ 1,025,481<br>1,182,081 | \$ 1,498,241<br>1,206,242 | \$ 472,760<br>24,161  | \$ 269,994<br>151 | \$ 317,814<br>383 | \$ 47,820<br>232      | \$ 3,208,471<br>497,488    | \$ 3,063,050<br>1,139,832 | \$ (145,421)<br>642,344 |
| 5,000                     | -                         | (5,000)               |                   |                   |                       |                            |                           |                         |
| 2,202,562                 | 2,704,483                 | 501,921               | 270,145           | 318,197           | 48,052                | 3,705,959                  | 4,202,882                 | 496,923                 |
| <hr/>                     |                           |                       |                   |                   |                       |                            |                           |                         |
| 3,112,000                 | 2,530,576                 | (581,424)             | 700,000           | 700,000           | -                     | 4,943,362                  | 4,401,524                 | (541,838)               |
| 3,112,000                 | 2,530,576                 | (581,424)             | 700,000           | 700,000           | -                     | 4,943,362                  | 4,401,524                 | (541,838)               |
| (909,438)                 | 173,907                   | 1,083,345             | (429,855)         | (381,803)         | 48,052                | (1,237,403)                | (198,642)                 | 1,038,761               |
| <hr/>                     |                           |                       |                   |                   |                       |                            |                           |                         |
| 12<br>(180,025)           | 12<br>(180,025)           | -                     | 317,335<br>(13)   | 317,335<br>(13)   | -                     | 50,007<br>(57)             | 50,007<br>(57)            | -                       |
| (180,013)                 | (180,013)                 | -                     | 317,322           | 317,322           | -                     | 49,950                     | 49,950                    | -                       |
| <hr/>                     |                           |                       |                   |                   |                       |                            |                           |                         |
| (1,089,451)               | (6,106)                   | 1,083,345             | (112,533)         | (64,481)          | 48,052                | (1,187,453)                | (148,692)                 | 1,038,761               |
| 122,621                   | 122,621                   | -                     | 22,814            | 22,814            | -                     | (536,791)                  | (536,791)                 | -                       |
| \$ (966,830)              | \$ 116,515                | \$ 1,083,345          | \$ (89,719)       | \$ (41,667)       | \$ 48,052             | \$ (1,724,244)             | \$ (685,483)              | \$ 1,038,761            |

(continued)

***State of Illinois***

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)**  
**Special State Funds - Department of Healthcare and Family Services**

For the Year Ended June 30, 2015 (Expressed in Thousands)

(continued)

|  | Total                 |                     |                          |
|--|-----------------------|---------------------|--------------------------|
|  | Final<br>Budget       | Actual              | Variance<br>Over (Under) |
| <b>REVENUES:</b>   |                       |                     |                          |
| Federal government   | \$ 6,292,106          | \$ 6,567,792        | \$ 275,686               |
| Other  | 2,569,743             | 3,242,569           | 672,826                  |
| Less:  |                       |                     |                          |
| Refunds  | 8,750                 | 267                 | (8,483)                  |
| <b>Total revenues</b>  | <b>8,853,099</b>      | <b>9,810,094</b>    | <b>956,995</b>           |
| <b>EXPENDITURES:</b>   |                       |                     |                          |
| Current:   |                       |                     |                          |
| Health and social services   | 11,984,452            | 10,223,188          | (1,761,264)              |
| <b>Total expenditures</b>  | <b>11,984,452</b>     | <b>10,223,188</b>   | <b>(1,761,264)</b>       |
| <b>Excess (deficiency) of revenues over (under) expenditures</b>   | <b>(3,131,353)</b>    | <b>(413,094)</b>    | <b>2,718,259</b>         |
| <b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>  |                       |                     |                          |
| Operating transfers-in   | 397,356               | 397,356             | -                        |
| Operating transfers-out  | (200,103)             | (200,103)           | -                        |
| <b>Total other sources (uses) of financial resources</b>   | <b>197,253</b>        | <b>197,253</b>      | <b>-</b>                 |
| <b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b> | <b>(2,934,100)</b>    | <b>(215,841)</b>    | <b>2,718,259</b>         |
| Budgetary fund balances (deficits), July 1, 2014   | (425,140)             | (425,140)           | -                        |
| <b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2015</b>   | <b>\$ (3,359,240)</b> | <b>\$ (640,981)</b> | <b>\$ 2,718,259</b>      |

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**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)**  
**Special State Funds - Department of Revenue**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|  | State and Local Sales Tax Reform |                  |                       | Local Government Distributive |                    |                       |
|--|----------------------------------|------------------|-----------------------|-------------------------------|--------------------|-----------------------|
|  | Final Budget                     | Actual           | Variance Over (Under) | Final Budget                  | Actual             | Variance Over (Under) |
| <b>REVENUES:</b>   |                                  |                  |                       |                               |                    |                       |
| Income taxes   | \$ 316,150                       | \$ 354,756       | \$ 38,606             |                               |                    |                       |
| Sales taxes  |                                  |                  |                       |                               |                    |                       |
| Public utility taxes   |                                  |                  |                       |                               |                    |                       |
| Other  |                                  |                  |                       |                               |                    |                       |
| <b>Total revenues</b>  | <b>316,150</b>                   | <b>354,756</b>   | <b>38,606</b>         |                               |                    |                       |
| <b>EXPENDITURES:</b>   |                                  |                  |                       |                               |                    |                       |
| Current:   |                                  |                  |                       |                               |                    |                       |
| Education  |                                  |                  |                       |                               |                    |                       |
| General government   | 76,414                           | 74,026           | (2,388)               | \$ 1,533,202                  | \$ 1,527,873       | \$ (5,329)            |
| Capital outlays  |                                  |                  |                       |                               |                    |                       |
| <b>Total expenditures</b>  | <b>76,414</b>                    | <b>74,026</b>    | <b>(2,388)</b>        | <b>1,533,202</b>              | <b>1,527,873</b>   | <b>(5,329)</b>        |
| <b>Excess (deficiency) of revenues over (under) expenditures</b>   | <b>239,736</b>                   | <b>280,730</b>   | <b>40,994</b>         | <b>(1,533,202)</b>            | <b>(1,527,873)</b> | <b>5,329</b>          |
| <b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>  |                                  |                  |                       |                               |                    |                       |
| Operating transfers-in   |                                  |                  |                       | 1,521,215                     | 1,521,215          | -                     |
| Operating transfers-out  | (318,448)                        | (318,448)        | -                     | (86)                          | (86)               | -                     |
| <b>Total other sources (uses) of financial resources</b>   | <b>(318,448)</b>                 | <b>(318,448)</b> | <b>-</b>              | <b>1,521,129</b>              | <b>1,521,129</b>   | <b>-</b>              |
| <b>Budgetary funds-nonbudgeted accounts</b>  |                                  |                  |                       |                               |                    |                       |
| <b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b> | <b>(78,712)</b>                  | <b>(37,718)</b>  | <b>40,994</b>         | <b>(12,073)</b>               | <b>(6,744)</b>     | <b>5,329</b>          |
| Budgetary fund balances (deficits), July 1, 2014   | 50,693                           | 50,693           | -                     | (29,812)                      | (29,812)           | -                     |
| <b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2015</b>   | <b>\$ (28,019)</b>               | <b>\$ 12,975</b> | <b>\$ 40,994</b>      | <b>\$ (41,885)</b>            | <b>\$ (36,556)</b> | <b>\$ 5,329</b>       |

| Personal Property Tax Replacement |              |                       | Build Illinois |            |                       | Total        |              |                       |
|-----------------------------------|--------------|-----------------------|----------------|------------|-----------------------|--------------|--------------|-----------------------|
| Final Budget                      | Actual       | Variance Over (Under) | Final Budget   | Actual     | Variance Over (Under) | Final Budget | Actual       | Variance Over (Under) |
| \$ 1,360,012                      | \$ 1,360,012 | \$ -                  | \$ 471,584     | \$ 471,584 | \$ -                  | \$ 1,360,012 | \$ 1,360,012 | \$ -                  |
| 203,339                           | 203,339      | -                     |                |            |                       | 787,734      | 826,340      | 38,606                |
| 384                               | 384          | -                     | 133,440        | 133,440    | -                     | 203,339      | 203,339      | -                     |
| 1,563,735                         | 1,563,735    | -                     | 605,024        | 605,024    | -                     | 133,824      | 133,824      | -                     |
|                                   |              |                       |                |            |                       | 2,484,909    | 2,523,515    | 38,606                |
| 19,367                            | 17,979       | (1,388)               |                |            |                       | 19,367       | 17,979       | (1,388)               |
| 1,534,911                         | 1,530,523    | (4,388)               |                |            |                       | 3,144,527    | 3,132,422    | (12,105)              |
| 5                                 | -            | (5)                   |                |            |                       | 5            | -            | (5)                   |
| 1,554,283                         | 1,548,502    | (5,781)               |                |            |                       | 3,163,899    | 3,150,401    | (13,498)              |
| 9,452                             | 15,233       | 5,781                 | 605,024        | 605,024    | -                     | (678,990)    | (626,886)    | 52,104                |
| 6,055                             | 6,055        | -                     | 39,466         | 39,466     | -                     | 1,566,736    | 1,566,736    | -                     |
| (11,416)                          | (11,416)     | -                     | (643,978)      | (643,978)  | -                     | (973,928)    | (973,928)    | -                     |
| (5,361)                           | (5,361)      | -                     | (604,512)      | (604,512)  | -                     | 592,808      | 592,808      | -                     |
| (762)                             | (762)        | -                     |                |            |                       | (762)        | (762)        | -                     |
| 3,329                             | 9,110        | 5,781                 | 512            | 512        | -                     | (86,944)     | (34,840)     | 52,104                |
| 227,813                           | 227,813      | -                     | (513)          | (513)      | -                     | 248,181      | 248,181      | -                     |
| \$ 231,142                        | \$ 236,923   | \$ 5,781              | \$ (1)         | \$ (1)     | \$ -                  | \$ 161,237   | \$ 213,341   | \$ 52,104             |

**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)**  
**Special State - Other Code Departments**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|  | Children and Family Services |                    |                          | State Lottery       |                    |                          |
|--|------------------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
|  | DCFS Children's Services     |                    | Variance<br>Over (Under) | State Lottery Fund  |                    | Variance<br>Over (Under) |
|  | Final<br>Budget              | Actual             |                          | Final<br>Budget     | Actual             |                          |
| <b>REVENUES:</b>   |                              |                    |                          |                     |                    |                          |
| Federal government   | \$ 441,756                   | \$ 436,722         | \$ (5,034)               | \$ 1,421,072        | \$ 1,585,391       | \$ 164,319               |
| Other  | 3,600                        | 5,440              | 1,840                    |                     |                    |                          |
| Less:  |                              |                    |                          |                     |                    |                          |
| Refunds  |                              |                    | 100                      |                     | 47                 | (53)                     |
| <b>Total revenues</b>  | <b>445,356</b>               | <b>442,162</b>     | <b>(3,194)</b>           | <b>1,420,972</b>    | <b>1,585,344</b>   | <b>164,372</b>           |
| <b>EXPENDITURES:</b>   |                              |                    |                          |                     |                    |                          |
| Current:   |                              |                    |                          |                     |                    |                          |
| Health and social services   | 474,035                      | 437,812            | (36,223)                 |                     |                    |                          |
| General government   | 1,747                        | 1,720              | (27)                     | 1,226,686           | 940,462            | (286,224)                |
| Capital outlays  |                              |                    | 450                      |                     | 5                  | (445)                    |
| <b>Total expenditures</b>  | <b>475,782</b>               | <b>439,532</b>     | <b>(36,250)</b>          | <b>1,227,136</b>    | <b>940,467</b>     | <b>(286,669)</b>         |
| <b>Excess (deficiency) of revenues over (under) expenditures</b>   | <b>(30,426)</b>              | <b>2,630</b>       | <b>33,056</b>            | <b>193,836</b>      | <b>644,877</b>     | <b>451,041</b>           |
| <b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>  |                              |                    |                          |                     |                    |                          |
| Operating transfers-in   |                              |                    | 220                      |                     | 220                | -                        |
| Operating transfers-out  | (463)                        | (463)              | -                        | (678,696)           | (678,696)          | -                        |
| <b>Total other sources (uses) of financial resources</b>   | <b>(463)</b>                 | <b>(463)</b>       | <b>-</b>                 | <b>(678,476)</b>    | <b>(678,476)</b>   | <b>-</b>                 |
| <b>Budgetary funds-nonbudgeted accounts</b>  |                              |                    |                          | (8,000)             | (8,000)            | -                        |
| <b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b> | <b>(30,889)</b>              | <b>2,167</b>       | <b>33,056</b>            | <b>(492,640)</b>    | <b>(41,599)</b>    | <b>451,041</b>           |
| Budgetary fund balances (deficits), July 1, 2014   | (43,003)                     | (43,003)           | -                        | 4,147               | 4,147              | -                        |
| <b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2015</b>   | <b>\$ (73,892)</b>           | <b>\$ (40,836)</b> | <b>\$ 33,056</b>         | <b>\$ (488,493)</b> | <b>\$ (37,452)</b> | <b>\$ 451,041</b>        |

| Total        |             |                       |
|--------------|-------------|-----------------------|
| Final Budget | Actual      | Variance Over (Under) |
| \$ 441,756   | \$ 436,722  | \$ (5,034)            |
| 1,424,672    | 1,590,831   | 166,159               |
| 100          | 47          | (53)                  |
| 1,866,328    | 2,027,506   | 161,178               |
|              |             |                       |
| 474,035      | 437,812     | (36,223)              |
| 1,228,433    | 942,182     | (286,251)             |
| 450          | 5           | (445)                 |
| 1,702,918    | 1,379,999   | (322,919)             |
| 163,410      | 647,507     | 484,097               |
|              |             |                       |
| 220          | 220         | -                     |
| (679,159)    | (679,159)   | -                     |
| (678,939)    | (678,939)   | -                     |
| (8,000)      | (8,000)     | -                     |
|              |             |                       |
| (523,529)    | (39,432)    | 484,097               |
| (38,856)     | (38,856)    | -                     |
| \$ (562,385) | \$ (78,288) | \$ 484,097            |

**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)**  
**Special State - Agencies, Boards and Commissions**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|  | Illinois Gaming Board |                  |                          | Environmental Protection Agency |                   |                          |
|--|-----------------------|------------------|--------------------------|---------------------------------|-------------------|--------------------------|
|  | State Gaming Fund     |                  | Variance<br>Over (Under) | Water Revolving Fund            |                   | Variance<br>Over (Under) |
|  | Final<br>Budget       | Actual           |                          | Final<br>Budget                 | Actual            |                          |
| <b>REVENUES:</b>   |                       |                  |                          |                                 |                   |                          |
| Public utility tax   |                       |                  |                          | \$ 232,400                      | \$ 140,896        | \$ (91,504)              |
| Federal government   |                       |                  |                          | 338,000                         | 268,366           | (69,634)                 |
| Other  | \$ 588,700            | \$ 510,103       | \$ (78,597)              |                                 |                   |                          |
| Less:  |                       |                  |                          |                                 |                   |                          |
| Refunds  | 50                    | -                | (50)                     |                                 |                   |                          |
| <b>Total revenues</b>  | <b>588,650</b>        | <b>510,103</b>   | <b>(78,547)</b>          | <b>570,400</b>                  | <b>409,262</b>    | <b>(161,138)</b>         |
| <b>EXPENDITURES:</b>   |                       |                  |                          |                                 |                   |                          |
| Current:   |                       |                  |                          |                                 |                   |                          |
| Health and social services   | 1,030                 | 767              | (263)                    |                                 |                   |                          |
| Education  |                       |                  |                          |                                 |                   |                          |
| General government   | 170,219               | 143,078          | (27,141)                 |                                 |                   |                          |
| Environment and business regulation  |                       |                  |                          | 482,504                         | 448,297           | (34,207)                 |
| Capital outlays  | 50                    | 4                | (46)                     |                                 |                   |                          |
| <b>Total expenditures</b>  | <b>171,299</b>        | <b>143,849</b>   | <b>(27,450)</b>          | <b>482,504</b>                  | <b>448,297</b>    | <b>(34,207)</b>          |
| <b>Excess (deficiency) of revenues over (under) expenditures</b>   | <b>417,351</b>        | <b>366,254</b>   | <b>(51,097)</b>          | <b>87,896</b>                   | <b>(39,035)</b>   | <b>(126,931)</b>         |
| <b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>  |                       |                  |                          |                                 |                   |                          |
| Operating transfers-in   |                       |                  |                          |                                 |                   |                          |
| Operating transfers-out  | (359,964)             | (359,964)        | -                        |                                 |                   |                          |
| <b>Total other sources (uses) of financial resources</b>   | <b>(359,964)</b>      | <b>(359,964)</b> | <b>-</b>                 |                                 |                   |                          |
| <b>Budgetary funds-nonbudgeted accounts</b>  |                       |                  |                          |                                 |                   |                          |
| <b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b> | <b>57,387</b>         | <b>6,290</b>     | <b>(51,097)</b>          | <b>87,896</b>                   | <b>(39,035)</b>   | <b>(126,931)</b>         |
| Budgetary fund balances (deficits), July 1, 2014   | 18,479                | 18,479           | -                        | 307,454                         | 307,454           | -                        |
| <b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2015</b>   | <b>\$ 75,866</b>      | <b>\$ 24,769</b> | <b>\$ (51,097)</b>       | <b>\$ 395,350</b>               | <b>\$ 268,419</b> | <b>\$ (126,931)</b>      |

| State Board of Education   |              |                       | Total        |             |                       |
|----------------------------|--------------|-----------------------|--------------|-------------|-----------------------|
| School Infrastructure Fund |              |                       |              |             |                       |
| Final Budget               | Actual       | Variance Over (Under) | Final Budget | Actual      | Variance Over (Under) |
| \$ 77,213                  | \$ 72,397    | \$ (4,816)            | \$ 77,213    | \$ 72,397   | \$ (4,816)            |
| 58,654                     | 54,995       | (3,659)               | 232,400      | 140,896     | (91,504)              |
|                            |              |                       | 985,354      | 833,464     | (151,890)             |
|                            |              |                       | 50           | -           | (50)                  |
| 135,867                    | 127,392      | (8,475)               | 1,294,917    | 1,046,757   | (248,160)             |
|                            |              |                       |              |             |                       |
| 600                        | 187          | (413)                 | 1,030        | 767         | (263)                 |
| 713                        | 698          | (15)                  | 600          | 187         | (413)                 |
|                            |              |                       | 170,932      | 143,776     | (27,156)              |
|                            |              |                       | 482,504      | 448,297     | (34,207)              |
|                            |              |                       | 50           | 4           | (46)                  |
| 1,313                      | 885          | (428)                 | 655,116      | 593,031     | (62,085)              |
|                            |              |                       |              |             |                       |
| 134,554                    | 126,507      | (8,047)               | 639,801      | 453,726     | (186,075)             |
|                            |              |                       |              |             |                       |
| 157,457                    | 157,457      | -                     | 157,457      | 157,457     | -                     |
| (507,647)                  | (507,647)    | -                     | (867,611)    | (867,611)   | -                     |
| (350,190)                  | (350,190)    | -                     | (710,154)    | (710,154)   | -                     |
|                            |              |                       |              |             |                       |
| (13,272)                   | (13,272)     | -                     | (13,272)     | (13,272)    | -                     |
|                            |              |                       |              |             |                       |
| (228,908)                  | (236,955)    | (8,047)               | (83,625)     | (269,700)   | (186,075)             |
|                            |              |                       |              |             |                       |
| (119,441)                  | (119,441)    | -                     | 206,492      | 206,492     | -                     |
|                            |              |                       |              |             |                       |
| \$ (348,349)               | \$ (356,396) | \$ (8,047)            | \$ 122,867   | \$ (63,208) | \$ (186,075)          |

**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Bond Financed Funds**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|  | Commerce and Economic Opportunity |                    |                          | Transportation     |                    |                          |
|--|-----------------------------------|--------------------|--------------------------|--------------------|--------------------|--------------------------|
|  | Build Illinois Bond               |                    | Variance<br>Over (Under) | Final Budget       |                    | Variance<br>Over (Under) |
|  | Final Budget                      | Actual             |                          | Final Budget       | Actual             |                          |
| <b>REVENUES:</b>   |                                   |                    |                          |                    |                    |                          |
| Other  | \$ 17                             | \$ 17              | \$ -                     |                    |                    |                          |
| <b>Total revenues</b>  | <b>\$ 17</b>                      | <b>\$ 17</b>       | <b>\$ -</b>              |                    |                    |                          |
| <b>EXPENDITURES:</b>   |                                   |                    |                          |                    |                    |                          |
| Current:   |                                   |                    |                          |                    |                    |                          |
| Health and social services   | 1,749                             | 657                | (1,092)                  |                    |                    |                          |
| Education  | 100,315                           | 100,000            | (315)                    |                    |                    |                          |
| General government   | 83,704                            | 63,650             | (20,054)                 |                    |                    |                          |
| Employment and economic development  | 1,035,800                         | 219,045            | (816,755)                |                    |                    |                          |
| Transportation   |                                   |                    |                          | \$ 1,154,105       | \$ 1,153,944       | \$ (161)                 |
| Environment and business regulation  | 192,573                           | 21,728             | (170,845)                |                    |                    |                          |
| Capital outlays  | 145,254                           | 27,533             | (117,721)                |                    |                    |                          |
| <b>Total expenditures</b>  | <b>1,559,395</b>                  | <b>432,613</b>     | <b>(1,126,782)</b>       | <b>1,154,105</b>   | <b>1,153,944</b>   | <b>(161)</b>             |
| <b>Excess (deficiency) of revenues over (under) expenditures</b>   | <b>(1,559,378)</b>                | <b>(432,596)</b>   | <b>1,126,782</b>         | <b>(1,154,105)</b> | <b>(1,153,944)</b> | <b>161</b>               |
| <b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>  |                                   |                    |                          |                    |                    |                          |
| Operating transfers in   |                                   |                    |                          | 29,923             | 29,923             | -                        |
| Operating transfers out  |                                   |                    |                          | (64,740)           | (64,740)           | -                        |
| <b>Total other sources (uses) of financial resources</b>   |                                   |                    |                          | <b>(34,817)</b>    | <b>(34,817)</b>    | <b>-</b>                 |
| <b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b> | <b>(1,559,378)</b>                | <b>(432,596)</b>   | <b>1,126,782</b>         | <b>(1,188,922)</b> | <b>(1,188,761)</b> | <b>161</b>               |
| Budgetary fund balances (deficits), July 1, 2014   | 412,755                           | 412,755            | -                        | 1,566,961          | 1,566,961          | -                        |
| <b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2015</b>   | <b>\$ (1,146,623)</b>             | <b>\$ (19,841)</b> | <b>\$ 1,126,782</b>      | <b>\$ 378,039</b>  | <b>\$ 378,200</b>  | <b>\$ 161</b>            |

| Capital Development Board |           |                       | Other        |           |                       | Total          |             |                       |
|---------------------------|-----------|-----------------------|--------------|-----------|-----------------------|----------------|-------------|-----------------------|
| Final Budget              | Actual    | Variance Over (Under) | Final Budget | Actual    | Variance Over (Under) | Final Budget   | Actual      | Variance Over (Under) |
|                           |           |                       |              |           |                       | \$ 17          | \$ 17       | \$ -                  |
|                           |           |                       |              |           |                       | 17             | 17          | -                     |
| \$ 67,419                 | \$ (154)  | \$ (67,573)           |              |           |                       | 1,749          | 657         | (1,092)               |
| 630,881                   | 281,601   | (349,280)             |              |           |                       | 167,734        | 99,846      | (67,888)              |
| 114,783                   | 35,865    | (78,918)              | \$ 71,207    | \$ 7,223  | \$ (63,984)           | 714,585        | 345,251     | (369,334)             |
|                           |           |                       | 40,300       | 40,276    | (24)                  | 1,221,790      | 262,133     | (959,657)             |
| 165,058                   | 16,568    | (148,490)             | 67,586       | 560       | (67,026)              | 1,194,405      | 1,194,220   | (185)                 |
| 1,691,128                 | 257,829   | (1,433,299)           |              |           |                       | 425,217        | 38,856      | (386,361)             |
| 2,669,269                 | 591,709   | (2,077,560)           | 179,093      | 48,059    | (131,034)             | 1,836,382      | 285,362     | (1,551,020)           |
|                           |           |                       |              |           |                       | 5,561,862      | 2,226,325   | (3,335,537)           |
| (2,669,269)               | (591,709) | 2,077,560             | (179,093)    | (48,059)  | 131,034               | (5,561,845)    | (2,226,308) | 3,335,537             |
| 136,116                   | 136,116   | -                     | 3,985        | 3,985     | -                     | 170,024        | 170,024     | -                     |
| (29,886)                  | (29,886)  | -                     | (75,398)     | (75,398)  | -                     | (170,024)      | (170,024)   | -                     |
| 106,230                   | 106,230   | -                     | (71,413)     | (71,413)  | -                     | -              | -           | -                     |
| (2,563,039)               | (485,479) | 2,077,560             | (250,506)    | (119,472) | 131,034               | (5,561,845)    | (2,226,308) | 3,335,537             |
| 532,649                   | 532,649   | -                     | 163,389      | 163,389   | -                     | 2,675,754      | 2,675,754   | -                     |
| \$(2,030,390)             | \$ 47,170 | \$ 2,077,560          | \$ (87,117)  | \$ 43,917 | \$ 131,034            | \$ (2,886,091) | \$ 449,446  | \$ 3,335,537          |

**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Bond Financed Funds - Department of Transportation**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|  | Transportation Bond Series B |                   |                       | Transportation Bond Series D |                   |                       |
|--|------------------------------|-------------------|-----------------------|------------------------------|-------------------|-----------------------|
|  | Final Budget                 | Actual            | Variance Over (Under) | Final Budget                 | Actual            | Variance Over (Under) |
| <b>EXPENDITURES:</b>   |                              |                   |                       |                              |                   |                       |
| Current:   |                              |                   |                       |                              |                   |                       |
| Transportation   | \$ 327,419                   | \$ 327,412        | \$ (7)                | \$ 826,686                   | \$ 826,532        | \$ (154)              |
| <b>Total expenditures</b>  | <b>\$ 327,419</b>            | <b>\$ 327,412</b> | <b>(7)</b>            | <b>\$ 826,686</b>            | <b>\$ 826,532</b> | <b>(154)</b>          |
| <b>Excess (deficiency) of revenues over (under) expenditures</b>   | <b>(327,419)</b>             | <b>(327,412)</b>  | <b>7</b>              | <b>(826,686)</b>             | <b>(826,532)</b>  | <b>154</b>            |
| <b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>  |                              |                   |                       |                              |                   |                       |
| Operating transfers in   | 19,961                       | 19,961            | -                     | 9,962                        | 9,962             | -                     |
| Operating transfers out  |                              |                   |                       | (64,740)                     | (64,740)          | -                     |
| <b>Total other sources (uses) of financial resources</b>   | <b>19,961</b>                | <b>19,961</b>     | <b>-</b>              | <b>(54,778)</b>              | <b>(54,778)</b>   | <b>-</b>              |
| <b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b> | <b>(307,458)</b>             | <b>(307,451)</b>  | <b>7</b>              | <b>(881,464)</b>             | <b>(881,310)</b>  | <b>154</b>            |
| Budgetary fund balances (deficits), July 1, 2014   | 556,616                      | 556,616           | -                     | 1,010,345                    | 1,010,345         | -                     |
| <b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2015</b>   | <b>\$ 249,158</b>            | <b>\$ 249,165</b> | <b>\$ 7</b>           | <b>\$ 128,881</b>            | <b>\$ 129,035</b> | <b>\$ 154</b>         |

| Total           |              |                          |
|-----------------|--------------|--------------------------|
| Final<br>Budget | Actual       | Variance<br>Over (Under) |
| \$ 1,154,105    | \$ 1,153,944 | \$ (161)                 |
| 1,154,105       | 1,153,944    | (161)                    |
| <br>            | <br>         | <br>                     |
| (1,154,105)     | (1,153,944)  | 161                      |
| <br>            | <br>         | <br>                     |
| 29,923          | 29,923       | -                        |
| (64,740)        | (64,740)     | -                        |
| (34,817)        | (34,817)     | -                        |
| <br>            | <br>         | <br>                     |
| (1,188,922)     | (1,188,761)  | 161                      |
| <br>            | <br>         | <br>                     |
| 1,566,961       | 1,566,961    | -                        |
| <br>            | <br>         | <br>                     |
| \$ 378,039      | \$ 378,200   | \$ 161                   |

**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)**  
**Bond Financed Funds - Capital Development Board**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|  | Capital Development   |                  |                       | School Construction |                  |                       |
|--|-----------------------|------------------|-----------------------|---------------------|------------------|-----------------------|
|  | Final Budget          | Actual           | Variance Over (Under) | Final Budget        | Actual           | Variance Over (Under) |
| <b>EXPENDITURES:</b>   |                       |                  |                       |                     |                  |                       |
| Current:   |                       |                  |                       |                     |                  |                       |
| Education  | \$ 67,419             | \$ -             | \$ (67,419)           | \$ -                | \$ (154)         | \$ (154)              |
| General government   | 60,993                | 24,185           | (36,808)              | 569,888             | 257,416          | (312,472)             |
| Employment and economic development  | 114,783               | 35,865           | (78,918)              |                     |                  |                       |
| Environment and business regulation  | 165,058               | 16,568           | (148,490)             |                     |                  |                       |
| Capital outlays  | 1,691,128             | 257,829          | (1,433,299)           |                     |                  |                       |
| <b>Total expenditures</b>  | <b>2,099,381</b>      | <b>334,447</b>   | <b>(1,764,934)</b>    | <b>569,888</b>      | <b>257,262</b>   | <b>(312,626)</b>      |
| <b>Excess (deficiency) of revenues over (under) expenditures</b>   | <b>(2,099,381)</b>    | <b>(334,447)</b> | <b>1,764,934</b>      | <b>(569,888)</b>    | <b>(257,262)</b> | <b>312,626</b>        |
| <b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>  |                       |                  |                       |                     |                  |                       |
| Operating transfers in   | 87,561                | 87,561           | -                     | 48,555              | 48,555           | -                     |
| Operating transfers out  |                       |                  |                       | (29,886)            | (29,886)         | -                     |
| <b>Total other sources (uses) of financial resources</b>   | <b>87,561</b>         | <b>87,561</b>    | <b>-</b>              | <b>18,669</b>       | <b>18,669</b>    | <b>-</b>              |
| <b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b> | <b>(2,011,820)</b>    | <b>(246,886)</b> | <b>1,764,934</b>      | <b>(551,219)</b>    | <b>(238,593)</b> | <b>312,626</b>        |
| Budgetary fund balances (deficits), July 1, 2014   | 277,989               | 277,989          | -                     | 254,660             | 254,660          | -                     |
| <b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2015</b>   | <b>\$ (1,733,831)</b> | <b>\$ 31,103</b> | <b>\$ 1,764,934</b>   | <b>\$ (296,559)</b> | <b>\$ 16,067</b> | <b>\$ 312,626</b>     |

|                      |                  | Total                    |  |
|----------------------|------------------|--------------------------|--|
| Final<br>Budget      | Actual           | Variance<br>Over (Under) |  |
| \$ 67,419            | \$ (154)         | \$ (67,573)              |  |
| 630,881              | 281,601          | (349,280)                |  |
| 114,783              | 35,865           | (78,918)                 |  |
| 165,058              | 16,568           | (148,490)                |  |
| <b>1,691,128</b>     | <b>257,829</b>   | <b>(1,433,299)</b>       |  |
| <b>2,669,269</b>     | <b>591,709</b>   | <b>(2,077,560)</b>       |  |
| <br>                 | <br>             | <br>                     |  |
| <b>(2,669,269)</b>   | <b>(591,709)</b> | <b>2,077,560</b>         |  |
| <br>                 | <br>             | <br>                     |  |
| 136,116              | 136,116          | -                        |  |
| (29,886)             | (29,886)         | -                        |  |
| <b>106,230</b>       | <b>106,230</b>   | <b>-</b>                 |  |
| <br>                 | <br>             | <br>                     |  |
| <b>(2,563,039)</b>   | <b>(485,479)</b> | <b>2,077,560</b>         |  |
| <br>                 | <br>             | <br>                     |  |
| <b>532,649</b>       | <b>532,649</b>   | <b>-</b>                 |  |
| <br>                 | <br>             | <br>                     |  |
| <b>\$(2,030,390)</b> | <b>\$ 47,170</b> | <b>\$ 2,077,560</b>      |  |

**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Debt Service Funds**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|  | General Obligation<br>Bond, Retirement, and Interest |                     |                          | Capital Projects    |                     |                          |
|--|--|---------------------|--------------------------|---------------------|---------------------|--------------------------|
|  | Final<br>Budget                                      | Actual              | Variance<br>Over (Under) | Final<br>Budget     | Actual              | Variance<br>Over (Under) |
| <b>REVENUES:</b>   |  |                     |                          |                     |                     |                          |
| Sales taxes  | \$ 56,288  | \$ 65,610           | \$ 9,322                 | \$ 55,881           | \$ 55,881           | \$ -                     |
| Federal government   | 46,541   | 45,281              | (1,260)                  | 630,788             | 630,788             | -                        |
| Other  |  |                     |                          |                     |                     |                          |
| <b>Total revenues</b>  | <b>102,829</b>                                       | <b>110,891</b>      | <b>8,062</b>             | <b>686,669</b>      | <b>686,669</b>      | <b>-</b>                 |
| <b>EXPENDITURES:</b>   |  |                     |                          |                     |                     |                          |
| Debt service:  |  |                     |                          |                     |                     |                          |
| Principal  | 2,106,704  | 1,935,616           | (171,088)                |                     |                     |                          |
| Interest   | 1,664,011  | 1,614,717           | (49,294)                 |                     |                     |                          |
| <b>Total expenditures</b>  | <b>3,770,715</b>                                     | <b>3,550,333</b>    | <b>(220,382)</b>         |                     |                     |                          |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b>   | <b>(3,667,886)</b>                                   | <b>(3,439,442)</b>  | <b>228,444</b>           | <b>686,669</b>      | <b>686,669</b>      | <b>-</b>                 |
| <b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>  |  |                     |                          |                     |                     |                          |
| Operating transfers-in   | 3,509,126  | 3,509,126           | -                        |                     |                     |                          |
| Operating transfers-out  |  |                     |                          | (1,061,443)         | (1,061,443)         | -                        |
| <b>Total other sources (uses) of financial resources</b>   | <b>3,509,126</b>                                     | <b>3,509,126</b>    | <b>-</b>                 | <b>(1,061,443)</b>  | <b>(1,061,443)</b>  | <b>-</b>                 |
| <b>Excess (deficiency) of revenues over (under)<br/>expenditures and other sources (uses) of<br/>financial resources</b> | <b>(158,760)</b>                                     | <b>69,684</b>       | <b>228,444</b>           | <b>(374,774)</b>    | <b>(374,774)</b>    | <b>-</b>                 |
| Budgetary fund balances (deficits), July 1, 2014   | 1,965,661  | 1,965,661           | -                        | (118,705)           | (118,705)           | -                        |
| <b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2015</b>   | <b>\$ 1,806,901</b>                                  | <b>\$ 2,035,345</b> | <b>\$ 228,444</b>        | <b>\$ (493,479)</b> | <b>\$ (493,479)</b> | <b>\$ -</b>              |

| Build Illinois                 |           |           |              | Other     |          |              |              | Total      |           |              |  |
|--------------------------------|-----------|-----------|--------------|-----------|----------|--------------|--------------|------------|-----------|--------------|--|
| Bond, Retirement, and Interest |           |           | Variance     | Final     | Variance | Final        | Variance     |            |           |              |  |
| Final                          |           |           | Over (Under) | Budget    | Actual   | Budget       | Actual       |            |           | Over (Under) |  |
| Budget                         | Actual    |           |              |           |          |              |              |            |           |              |  |
| \$ 30                          | \$ 57     | \$ 27     |              |           |          |              |              | \$ 55,881  | \$ 55,881 | \$ -         |  |
|                                |           |           |              |           |          |              |              | 56,288     | 65,610    | 9,322        |  |
|                                |           |           |              |           |          |              |              | 677,359    | 676,126   | (1,233)      |  |
|                                |           |           |              |           |          |              |              | 789,528    | 797,617   | 8,089        |  |
| 446,000                        | 431,837   | (14,163)  | \$ 14,000    | \$ 13,907 | \$ (93)  | 2,566,704    | 2,381,360    | (185,344)  |           |              |  |
| 54,095                         | 54,095    | -         |              |           |          | 1,718,106    | 1,668,812    | (49,294)   |           |              |  |
| 500,095                        | 485,932   | (14,163)  | 14,000       | 13,907    | (93)     | 4,284,810    | 4,050,172    | (234,638)  |           |              |  |
| (500,065)                      | (485,875) | 14,190    | (14,000)     | (13,907)  | 93       | (3,495,282)  | (3,252,555)  | 242,727    |           |              |  |
| 460,741                        | 460,741   | -         | 14,206       | 14,206    | -        | 3,984,073    | 3,984,073    | -          |           |              |  |
| 460,741                        | 460,741   | -         | 14,206       | 14,206    | -        | (1,061,443)  | (1,061,443)  | -          |           |              |  |
| (39,324)                       | (25,134)  | 14,190    | 206          | 299       | 93       | (572,652)    | (329,925)    | 242,727    |           |              |  |
| 32,496                         | 32,496    | -         | 9,876        | 9,876     | -        | 1,889,328    | 1,889,328    | -          |           |              |  |
| \$ (6,828)                     | \$ 7,362  | \$ 14,190 | \$ 10,082    | \$ 10,175 | \$ 93    | \$ 1,316,676 | \$ 1,559,403 | \$ 242,727 |           |              |  |

**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|   | Code Departments    |                    |                          | State Board of Education |                     |                          |
|---|---------------------|--------------------|--------------------------|--------------------------|---------------------|--------------------------|
|   | Human Services      |                    | Variance<br>Over (Under) | State Board of Education |                     | Variance<br>Over (Under) |
|   | Final<br>Budget     | Actual             |                          | Final<br>Budget          | Actual              |                          |
| <b>REVENUES:</b>  |                     |                    |                          |                          |                     |                          |
| Federal government  | \$ 916,554          | \$ 957,788         | \$ 41,234                | \$ 2,250,466             | \$ 2,160,696        | \$ (89,770)              |
| Other   | 72,248              | 74,117             | 1,869                    | -                        | 116                 | 116                      |
| Less:   |                     |                    |                          |                          |                     |                          |
| Refunds   | 200                 | -                  | (200)                    |                          |                     |                          |
| <b>Total revenues</b>   | <b>988,602</b>      | <b>1,031,905</b>   | <b>43,303</b>            | <b>2,250,466</b>         | <b>2,160,812</b>    | <b>(89,654)</b>          |
| <b>EXPENDITURES:</b>  |                     |                    |                          |                          |                     |                          |
| Current:  |                     |                    |                          |                          |                     |                          |
| Health and social services  | 1,133,827           | 1,024,354          | (109,473)                |                          |                     |                          |
| Education   |                     |                    |                          | 2,974,311                | 2,119,785           | (854,526)                |
| General government  |                     |                    |                          |                          |                     |                          |
| Employment and economic development   |                     |                    |                          |                          |                     |                          |
| Transportation  |                     |                    |                          |                          |                     |                          |
| Public protection and justice   |                     |                    |                          |                          |                     |                          |
| Environment and business regulation   |                     |                    |                          |                          |                     |                          |
| Capital outlays   |                     |                    |                          | 989                      | 83                  | (906)                    |
| <b>Total expenditures</b>   | <b>1,133,827</b>    | <b>1,024,354</b>   | <b>(109,473)</b>         | <b>2,975,300</b>         | <b>2,119,868</b>    | <b>(855,432)</b>         |
| <b>Excess (deficiency) of revenues over (under) expenditures</b>  | <b>(145,225)</b>    | <b>7,551</b>       | <b>152,776</b>           | <b>(724,834)</b>         | <b>40,944</b>       | <b>765,778</b>           |
| <b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>   |                     |                    |                          |                          |                     |                          |
| Operating transfers-in  | 7,521               | 7,521              | -                        |                          |                     |                          |
| Operating transfers-out   |                     |                    |                          | (14,680)                 | (14,680)            | -                        |
| <b>Total other sources (uses) of financial resources</b>  | <b>7,521</b>        | <b>7,521</b>       | <b>-</b>                 | <b>(14,680)</b>          | <b>(14,680)</b>     | <b>-</b>                 |
| <b>Budgetary funds-nonbudgeted accounts</b>   |                     |                    |                          | (1,762)                  | (1,762)             | -                        |
| <b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts</b> | <b>(137,704)</b>    | <b>15,072</b>      | <b>152,776</b>           | <b>(741,276)</b>         | <b>24,502</b>       | <b>765,778</b>           |
| Budgetary fund balances (deficits), July 1, 2014  | (28,201)            | (28,201)           | -                        | (295,105)                | (295,105)           | -                        |
| <b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2015</b>  | <b>\$ (165,905)</b> | <b>\$ (13,129)</b> | <b>\$ 152,776</b>        | <b>\$ (1,036,381)</b>    | <b>\$ (270,603)</b> | <b>\$ 765,778</b>        |

| Other                   |                         |                        | Total                   |                         |                        |
|-------------------------|-------------------------|------------------------|-------------------------|-------------------------|------------------------|
| Final Budget            | Actual                  | Variance Over (Under)  | Final Budget            | Actual                  | Variance Over (Under)  |
| \$ 1,470,833<br>245,998 | \$ 1,421,761<br>241,945 | \$ (49,072)<br>(4,053) | \$ 4,637,853<br>318,246 | \$ 4,540,245<br>316,178 | \$ (97,608)<br>(2,068) |
| 120                     | -                       | (120)                  | 320                     | -                       | (320)                  |
| 1,716,711               | 1,663,706               | (53,005)               | 4,955,779               | 4,856,423               | (99,356)               |
| <hr/>                   |                         |                        |                         |                         |                        |
| 1,010,528               | 652,240                 | (358,288)              | 2,144,355               | 1,676,594               | (467,761)              |
| 379,346                 | 191,467                 | (187,879)              | 3,353,657               | 2,311,252               | (1,042,405)            |
| 20,546                  | 10,892                  | (9,654)                | 20,546                  | 10,892                  | (9,654)                |
| 1,304,737               | 510,389                 | (794,348)              | 1,304,737               | 510,389                 | (794,348)              |
| 91,793                  | 91,791                  | (2)                    | 91,793                  | 91,791                  | (2)                    |
| 130,259                 | 69,897                  | (60,362)               | 130,259                 | 69,897                  | (60,362)               |
| 254,927                 | 99,861                  | (155,066)              | 254,927                 | 99,861                  | (155,066)              |
| 5,375                   | 474                     | (4,901)                | 6,364                   | 557                     | (5,807)                |
| 3,197,511               | 1,627,011               | (1,570,500)            | 7,306,638               | 4,771,233               | (2,535,405)            |
| <hr/>                   |                         |                        |                         |                         |                        |
| (1,480,800)             | 36,695                  | 1,517,495              | (2,350,859)             | 85,190                  | 2,436,049              |
| <hr/>                   |                         |                        |                         |                         |                        |
| 35,507<br>(14,377)      | 35,507<br>(14,377)      | -                      | 43,028<br>(29,057)      | 43,028<br>(29,057)      | -                      |
| 21,130                  | 21,130                  | -                      | 13,971                  | 13,971                  | -                      |
| (7,897)                 | (7,897)                 | -                      | (9,659)                 | (9,659)                 | -                      |
| <hr/>                   |                         |                        |                         |                         |                        |
| (1,467,567)             | 49,928                  | 1,517,495              | (2,346,547)             | 89,502                  | 2,436,049              |
| 79,362                  | 79,362                  | -                      | (243,944)               | (243,944)               | -                      |
| \$ (1,388,205)          | \$ 129,290              | \$ 1,517,495           | \$ (2,590,491)          | \$ (154,442)            | \$ 2,436,049           |

**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)**  
**Federal Trust Funds - Department of Human Services**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|   | Employment & Training |                    |                       | DHS Special Purpose Trust |                  |                       |
|---|-----------------------|--------------------|-----------------------|---------------------------|------------------|-----------------------|
|   | Final Budget          | Actual             | Variance Over (Under) | Final Budget              | Actual           | Variance Over (Under) |
| <b>REVENUES:</b>  |                       |                    |                       |                           |                  |                       |
| Federal government  | \$ 485,000            | \$ 477,653         | \$ (7,347)            | \$ 215,135                | \$ 264,633       | \$ 49,498             |
| Other   |                       |                    |                       |                           | 811              | 811                   |
| Less:   |                       |                    |                       |                           |                  |                       |
| Refunds   |                       |                    |                       |                           |                  |                       |
| Total revenues  | 485,000               | 477,653            | (7,347)               | 215,135                   | 265,444          | 50,309                |
| <b>EXPENDITURES:</b>  |                       |                    |                       |                           |                  |                       |
| Current:  |                       |                    |                       |                           |                  |                       |
| Health and social services  | 505,000               | 481,272            | (23,728)              | 304,214                   | 262,408          | (41,806)              |
| Total expenditures  | 505,000               | 481,272            | (23,728)              | 304,214                   | 262,408          | (41,806)              |
| Excess (deficiency) of revenues over (under) expenditures   | (20,000)              | (3,619)            | 16,381                | (89,079)                  | 3,036            | 92,115                |
| <b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>   |                       |                    |                       |                           |                  |                       |
| Operating transfers-in  |                       |                    |                       | 7,521                     | 7,521            | -                     |
| Total other sources (uses) of financial resources   |                       |                    |                       | 7,521                     | 7,521            | -                     |
| Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources | (20,000)              | (3,619)            | 16,381                | (81,558)                  | 10,557           | 92,115                |
| Budgetary fund balances (deficits), July 1, 2014  | (37,762)              | (37,762)           | -                     | 31,928                    | 31,928           | -                     |
| <b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2015</b>  | <b>\$ (57,762)</b>    | <b>\$ (41,381)</b> | <b>\$ 16,381</b>      | <b>\$ (49,630)</b>        | <b>\$ 42,485</b> | <b>\$ 92,115</b>      |

## USDA Women, Infants and Children

|                      |                      |                          | Total                |                      |                          |
|----------------------|----------------------|--------------------------|----------------------|----------------------|--------------------------|
| Final<br>Budget      | Actual               | Variance<br>Over (Under) | Final<br>Budget      | Actual               | Variance<br>Over (Under) |
| \$ 216,419<br>72,248 | \$ 215,502<br>73,306 | \$ (917)<br>1,058        | \$ 916,554<br>72,248 | \$ 957,788<br>74,117 | \$ 41,234<br>1,869       |
| 200                  | -                    | (200)                    | 200                  | -                    | (200)                    |
| 288,467              | 288,808              | 341                      | 988,602              | 1,031,905            | 43,303                   |
| <hr/>                |                      |                          |                      |                      |                          |
| 324,613              | 280,674              | (43,939)                 | 1,133,827            | 1,024,354            | (109,473)                |
| 324,613              | 280,674              | (43,939)                 | 1,133,827            | 1,024,354            | (109,473)                |
| <hr/>                |                      |                          |                      |                      |                          |
| (36,146)             | 8,134                | 44,280                   | (145,225)            | 7,551                | 152,776                  |
|                      |                      |                          |                      | 7,521                | 7,521                    |
|                      |                      |                          |                      | 7,521                | 7,521                    |
| <hr/>                |                      |                          |                      |                      |                          |
| (36,146)             | 8,134                | 44,280                   | (137,704)            | 15,072               | 152,776                  |
| (22,367)             | (22,367)             | -                        | (28,201)             | (28,201)             | -                        |
| \$ (58,513)          | \$ (14,233)          | \$ 44,280                | \$ (165,905)         | \$ (13,129)          | \$ 152,776               |
| <hr/>                |                      |                          |                      |                      |                          |

**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)**  
**Federal Trust Funds - State Board of Education**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|  | S.B.E. Federal<br>Department of Agriculture |                   |                          | S.B.E. Federal<br>Department of Education |                     |                          |
|--|---|-------------------|--------------------------|---|---------------------|--------------------------|
|  | Final<br>Budget                             | Actual            | Variance<br>Over (Under) | Final<br>Budget                           | Actual              | Variance<br>Over (Under) |
| <b>REVENUES:</b>   |   |                   |                          |   |                     |                          |
| Federal government   | \$ 698,098                                  | \$ 761,683        | \$ 63,585                | \$ 1,552,368                              | \$ 1,399,013        | \$ (153,355)             |
| Other  | -   | 28                | 28                       | -   | 88                  | 88                       |
| <b>Total revenues</b>  | <b>698,098</b>                              | <b>761,711</b>    | <b>63,613</b>            | <b>1,552,368</b>                          | <b>1,399,101</b>    | <b>(153,267)</b>         |
| <b>EXPENDITURES:</b>   |   |                   |                          |   |                     |                          |
| Current:   |   |                   |                          |   |                     |                          |
| Education  | 738,805                                     | 733,074           | (5,731)                  | 2,235,506                                 | 1,386,711           | (848,795)                |
| Capital outlays  | 310   | 37                | (273)                    | 679                                       | 46                  | (633)                    |
| <b>Total expenditures</b>  | <b>739,115</b>                              | <b>733,111</b>    | <b>(6,004)</b>           | <b>2,236,185</b>                          | <b>1,386,757</b>    | <b>(849,428)</b>         |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b>   | <b>(41,017)</b>                             | <b>28,600</b>     | <b>69,617</b>            | <b>(683,817)</b>                          | <b>12,344</b>       | <b>696,161</b>           |
| <b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>  |   |                   |                          |   |                     |                          |
| Operating transfers-out  |   |                   |                          | (14,680)                                  | (14,680)            | -                        |
| <b>Total other sources (uses) of financial resources</b>   |   |                   |                          | <b>(14,680)</b>                           | <b>(14,680)</b>     | <b>-</b>                 |
| Budgetary funds-nonbudgeted accounts   | (10)  | (10)              | -                        | (1,752)                                   | (1,752)             | -                        |
| <b>Excess (deficiency) of revenues over (under)<br/>expenditures, other sources (uses) of<br/>financial resources, and budgetary funds-<br/>nonbudgeted accounts</b> | <b>(41,027)</b>                             | <b>28,590</b>     | <b>69,617</b>            | <b>(700,249)</b>                          | <b>(4,088)</b>      | <b>696,161</b>           |
| Budgetary fund balances (deficits), July 1, 2014   | (34,492)                                    | (34,492)          | -                        | (260,613)                                 | (260,613)           | -                        |
| <b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2015</b>   | <b>\$ (75,519)</b>                          | <b>\$ (5,902)</b> | <b>\$ 69,617</b>         | <b>\$ (960,862)</b>                       | <b>\$ (264,701)</b> | <b>\$ 696,161</b>        |

|                       | Total               |                          |
|-----------------------|---------------------|--------------------------|
| Final<br>Budget       | Actual              | Variance<br>Over (Under) |
| \$ 2,250,466          | \$ 2,160,696        | \$ (89,770)              |
| -                     | 116                 | 116                      |
| <b>2,250,466</b>      | <b>2,160,812</b>    | <b>(89,654)</b>          |
|                       |                     |                          |
| 2,974,311             | 2,119,785           | (854,526)                |
| 989                   | 83                  | (906)                    |
| <b>2,975,300</b>      | <b>2,119,868</b>    | <b>(855,432)</b>         |
|                       |                     |                          |
| (724,834)             | 40,944              | 765,778                  |
|                       |                     |                          |
| (14,680)              | (14,680)            | -                        |
| <b>(14,680)</b>       | <b>(14,680)</b>     | <b>-</b>                 |
|                       |                     |                          |
| (1,762)               | (1,762)             | -                        |
|                       |                     |                          |
| <b>(741,276)</b>      | <b>24,502</b>       | <b>765,778</b>           |
|                       |                     |                          |
| (295,105)             | (295,105)           | -                        |
| <b>\$ (1,036,381)</b> | <b>\$ (270,603)</b> | <b>\$ 765,778</b>        |

**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) State Trust Funds**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|   | Code Departments    |                  |                          | Other Agencies, Boards and Commissions<br>State Employees Retirement System |             |                          |
|---|---------------------|------------------|--------------------------|---|-------------|--------------------------|
|   | Final<br>Budget     | Actual           | Variance<br>Over (Under) | Final<br>Budget   | Actual      | Variance<br>Over (Under) |
| <b>REVENUES:</b>  |                     |                  |                          |   |             |                          |
| Sales taxes   | \$ 958,361          | \$ 958,361       | \$ -                     |   |             |                          |
| Motor fuel taxes  |                     |                  |                          |   |             |                          |
| Public utility taxes  |                     |                  |                          |   |             |                          |
| Federal government  | -                   | 122,491          | 122,491                  |   |             |                          |
| Other   | 452,828             | 707,688          | 254,860                  |   |             |                          |
| Less:   |                     |                  |                          |   |             |                          |
| Refunds   |                     |                  |                          |   |             |                          |
| <b>Total revenues</b>   | <b>1,411,189</b>    | <b>1,788,540</b> | <b>377,351</b>           |   |             |                          |
| <b>EXPENDITURES:</b>  |                     |                  |                          |   |             |                          |
| Current:  |                     |                  |                          |   |             |                          |
| Health and social services  | 186,655             | 107,044          | (79,611)                 |   |             |                          |
| Education   |                     |                  |                          |   |             |                          |
| General government  | 518                 | 78               | (440)                    |   |             |                          |
| Employment and Economic Development   |                     |                  |                          |   |             |                          |
| Public protection and justice   |                     |                  |                          |   |             |                          |
| Environment and business regulation   |                     |                  |                          |   |             |                          |
| Capital outlays   | 1,852               | 373              | (1,479)                  |   |             |                          |
| <b>Total expenditures</b>   | <b>189,025</b>      | <b>107,495</b>   | <b>(81,530)</b>          |   |             |                          |
| <b>Excess (deficiency) of revenues over (under) expenditures</b>  | <b>1,222,164</b>    | <b>1,681,045</b> | <b>458,881</b>           |   |             |                          |
| <b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>   |                     |                  |                          |   |             |                          |
| Operating transfers-out   | (317,985)           | (317,985)        | -                        |   |             |                          |
| <b>Total other sources (uses) of financial resources</b>  | <b>(317,985)</b>    | <b>(317,985)</b> | <b>-</b>                 |   |             |                          |
| Budgetary funds-nonbudgeted accounts  | (1,369,538)         | (1,369,538)      | -                        |   |             |                          |
| <b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts</b> | <b>(465,359)</b>    | <b>(6,478)</b>   | <b>458,881</b>           |   |             |                          |
| Budgetary fund balances (deficits), July 1, 2014, as previously reported  | 103,574             | 103,574          | -                        | \$ 242,223  | \$ 242,223  | \$ -                     |
| Reclassifications between budgetary/nonbudgetary funds-net  |                     |                  |                          | (242,223)   | (242,223)   | -                        |
| Budgetary fund balances (deficits), July 1, 2014, as reclassified   | 103,574             | 103,574          | -                        | -   | -           | -                        |
| <b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2015</b>  | <b>\$ (361,785)</b> | <b>\$ 97,096</b> | <b>\$ 458,881</b>        | <b>\$ -</b>   | <b>\$ -</b> | <b>\$ -</b>              |

| Other        |            |                       | Total        |             |                       |
|--------------|------------|-----------------------|--------------|-------------|-----------------------|
| Final Budget | Actual     | Variance Over (Under) | Final Budget | Actual      | Variance Over (Under) |
| \$ 32,611    | \$ 32,611  | \$ -                  | \$ 958,361   | \$ 958,361  | \$ -                  |
| 240,231      | 240,231    | -                     | 240,231      | 240,231     | -                     |
| 107,082      | 108,647    | 1,565                 | 107,082      | 231,138     | 124,056               |
| 311,559      | 546,118    | 234,559               | 764,387      | 1,253,806   | 489,419               |
| 312          | 181        | (131)                 | 312          | 181         | (131)                 |
| 691,171      | 927,426    | 236,255               | 2,102,360    | 2,715,966   | 613,606               |
|              |            |                       |              |             |                       |
| 235,834      | 191,303    | (44,531)              | 422,489      | 298,347     | (124,142)             |
| 18,709       | 2,269      | (16,440)              | 18,709       | 2,269       | (16,440)              |
| 143,918      | 124,506    | (19,412)              | 144,436      | 124,584     | (19,852)              |
| 4,914        | 1,063      | (3,851)               | 4,914        | 1,063       | (3,851)               |
| 16,100       | 3,531      | (12,569)              | 16,100       | 3,531       | (12,569)              |
| 29,543       | 7,818      | (21,725)              | 29,543       | 7,818       | (21,725)              |
|              |            |                       | 1,852        | 373         | (1,479)               |
| 449,018      | 330,490    | (118,528)             | 638,043      | 437,985     | (200,058)             |
|              |            |                       |              |             |                       |
| 242,153      | 596,936    | 354,783               | 1,464,317    | 2,277,981   | 813,664               |
|              |            |                       |              |             |                       |
| (14,790)     | (14,790)   | -                     | (332,775)    | (332,775)   | -                     |
| (14,790)     | (14,790)   | -                     | (332,775)    | (332,775)   | -                     |
|              |            |                       |              |             |                       |
| (571,759)    | (571,759)  | -                     | (1,941,297)  | (1,941,297) | -                     |
|              |            |                       |              |             |                       |
| (344,396)    | 10,387     | 354,783               | (809,755)    | 3,909       | 813,664               |
|              |            |                       |              |             |                       |
| 212,191      | 212,191    | -                     | 557,988      | 557,988     | -                     |
| (6,799)      | (6,799)    | -                     | (249,022)    | (249,022)   | -                     |
|              |            |                       |              |             |                       |
| 205,392      | 205,392    | -                     | 308,966      | 308,966     | -                     |
|              |            |                       |              |             |                       |
| \$ (139,004) | \$ 215,779 | \$ 354,783            | \$ (500,789) | \$ 312,875  | \$ 813,664            |

**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)**  
**State Trust Funds - Code Departments**

For the Year Ended June 30, 2015 (Expressed in Thousands)

|   | Healthcare and Family Services |                    |                          | Revenue                 |                   |                          |
|---|--------------------------------|--------------------|--------------------------|-------------------------|-------------------|--------------------------|
|   | Public Aid Recoveries Trust    |                    | Variance<br>Over (Under) | Home Rule Municipal ROT |                   | Variance<br>Over (Under) |
|   | Final<br>Budget                | Actual             |                          | Final<br>Budget         | Actual            |                          |
| <b>REVENUES:</b>  |                                |                    |                          |                         |                   |                          |
| Sales taxes   | \$ -                           | \$ 122,491         | \$ 122,491               | \$ 958,361              | \$ 958,361        | \$ -                     |
| Federal government  | 452,513                        | 707,373            | 254,860                  | 315                     | 315               | -                        |
| Other   |                                |                    |                          |                         |                   |                          |
| <b>Total revenues</b>   | <b>452,513</b>                 | <b>829,864</b>     | <b>377,351</b>           | <b>958,676</b>          | <b>958,676</b>    | <b>-</b>                 |
| <b>EXPENDITURES:</b>  |                                |                    |                          |                         |                   |                          |
| Current:  |                                |                    |                          |                         |                   |                          |
| Health and social services  | 186,655                        | 107,044            | (79,611)                 | 518                     | 78                | (440)                    |
| General government  | 1,852                          | 373                | (1,479)                  |                         |                   |                          |
| Capital outlays   | 188,507                        | 107,417            | (81,090)                 | 518                     | 78                | (440)                    |
| <b>Total expenditures</b>   | <b>188,507</b>                 | <b>107,417</b>     | <b>(81,090)</b>          | <b>518</b>              | <b>78</b>         | <b>(440)</b>             |
| <b>Excess (deficiency) of revenues over (under) expenditures</b>  | <b>264,006</b>                 | <b>722,447</b>     | <b>458,441</b>           | <b>958,158</b>          | <b>958,598</b>    | <b>440</b>               |
| <b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>   |                                |                    |                          |                         |                   |                          |
| Operating transfers-out   | (317,387)                      | (317,387)          | -                        | (598)                   | (598)             | -                        |
| <b>Total other sources (uses) of financial resources</b>  | <b>(317,387)</b>               | <b>(317,387)</b>   | <b>-</b>                 | <b>(598)</b>            | <b>(598)</b>      | <b>-</b>                 |
| <b>Budgetary funds-nonbudgeted accounts</b>   | <b>(419,837)</b>               | <b>(419,837)</b>   | <b>-</b>                 | <b>(949,701)</b>        | <b>(949,701)</b>  | <b>-</b>                 |
| <b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts</b> | <b>(473,218)</b>               | <b>(14,777)</b>    | <b>458,441</b>           | <b>7,859</b>            | <b>8,299</b>      | <b>440</b>               |
| Budgetary fund balances (deficits), July 1, 2014  | 4,172                          | 4,172              | -                        | 99,402                  | 99,402            | -                        |
| <b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2015</b>  | <b>\$ (469,046)</b>            | <b>\$ (10,605)</b> | <b>\$ 458,441</b>        | <b>\$ 107,261</b>       | <b>\$ 107,701</b> | <b>\$ 440</b>            |

| Total           |             |                          |
|-----------------|-------------|--------------------------|
| Final<br>Budget | Actual      | Variance<br>Over (Under) |
| \$ 958,361      | \$ 958,361  | \$ -                     |
| -               | 122,491     | 122,491                  |
| 452,828         | 707,688     | 254,860                  |
| 1,411,189       | 1,788,540   | 377,351                  |
| <br>            |             |                          |
| 186,655         | 107,044     | (79,611)                 |
| 518             | 78          | (440)                    |
| 1,852           | 373         | (1,479)                  |
| 189,025         | 107,495     | (81,530)                 |
| 1,222,164       | 1,681,045   | 458,881                  |
| <br>            |             |                          |
| (317,985)       | (317,985)   | -                        |
| (317,985)       | (317,985)   | -                        |
| (1,369,538)     | (1,369,538) | -                        |
| <br>            |             |                          |
| (465,359)       | (6,478)     | 458,881                  |
| 103,574         | 103,574     | -                        |
| \$ (361,785)    | \$ 97,096   | \$ 458,881               |

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# Statistical Section

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## **STATISTICAL SECTION**

This part of the Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the State's overall financial health.

| <b><u>Contents</u></b>   | <b><u>Page</u></b> |
|--|--------------------|
| <b>Financial Trends</b>  |                    |
| These schedules contain trend information to help the reader understand how the State's financial performance and well-being have changed over time.   | 322                |
| <b>Revenue Capacity</b>  |                    |
| These schedules contain information to help the reader assess the State's most significant revenue sources: the personal income tax and the sales tax.   | 330                |
| <b>Debt Capacity</b>   |                    |
| These schedules present information to help the reader assess the affordability of the State's current levels of outstanding debt and the State's ability to issue additional debt in the future.                    | 334                |
| <b>Demographic and Economic Information</b>  |                    |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the State's financial activities take place.  | 342                |
| <b>Operating Information</b>   |                    |
| These schedules contain service and infrastructure data to help the reader understand how the information in the State's financial report relates to the services the State provides and the activities it performs. | 344                |

**Sources:** Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

**State of Illinois****Net Position by Component****Last Ten Fiscal Year Ends****(Accrual Basis of Accounting, Amounts in Thousands)**

|  | For the Fiscal Year     |                        |                        |                        |                        |
|--|-------------------------|------------------------|------------------------|------------------------|------------------------|
|  | 2015                    | 2014                   | 2013                   | 2012                   | 2011                   |
| <b>Governmental Activities</b>                     |                         |                        |                        |                        |                        |
| Net investment in capital assets                   | \$ 15,180,555           | \$ 15,097,043          | \$ 14,805,078          | \$ 14,990,452          | \$ 14,696,923          |
| Restricted   | 3,440,869               | 4,142,084              | 3,753,003              | 3,568,812              | 3,447,715              |
| Unrestricted                                       | (143,928,601)           | (68,297,390)           | (66,410,019)           | (65,144,723)           | (61,753,364)           |
| <b>Total governmental activities net position</b>  | <b>(125,307,177)</b>    | <b>(49,058,263)</b>    | <b>(47,851,938)</b>    | <b>(46,585,459)</b>    | <b>(43,608,726)</b>    |
| <b>Business-type Activities</b>                    |                         |                        |                        |                        |                        |
| Net investment in capital assets                   | 5,748                   | 6,532                  | 5,628                  | 4,673                  | 3,890                  |
| Restricted   | 5,240,507               | 4,911,161              | 4,291,086              | 2,253,093              | 2,362,947              |
| Unrestricted                                       | (921,900)               | (1,094,605)            | (1,271,930)            | (422,682)              | (1,129,243)            |
| <b>Total business-type activities net position</b> | <b>4,324,355</b>        | <b>3,823,088</b>       | <b>3,024,784</b>       | <b>1,835,084</b>       | <b>1,237,594</b>       |
| <b>Primary Government</b>                          |                         |                        |                        |                        |                        |
| Net investment in capital assets                   | 15,186,303              | 15,103,575             | 14,810,706             | 14,995,125             | 14,700,813             |
| Restricted   | 8,681,376               | 9,053,245              | 8,044,089              | 5,821,905              | 5,810,662              |
| Unrestricted                                       | (144,850,501)           | (69,391,995)           | (67,681,949)           | (65,567,405)           | (62,882,607)           |
| <b>Total primary government net position</b>       | <b>\$ (120,982,822)</b> | <b>\$ (45,235,175)</b> | <b>\$ (44,827,154)</b> | <b>\$ (44,750,375)</b> | <b>\$ (42,371,132)</b> |

Note: Balances have been restated for prior period adjustments, corrections, and reclassifications when practical.

The deficit balance of net position increased significantly in 2015 due to the implementation of GASB Statement No. 68.

**State of Illinois****Fund Balances, Governmental Funds****Last Ten Fiscal Year Ends****(Modified Accrual Basis of Accounting, Amounts in Thousands)**

|  | For the Fiscal Year |                     |                     |                     |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | 2015                | 2014                | 2013                | 2012                | 2011                |
| <b>General fund (per GASB 54)</b>                      |                     |                     |                     |                     |                     |
| Nonspendable   | \$ 28,301           | \$ 30,567           | \$ 32,395           | \$ 34,652           | \$ 32,108           |
| Restricted   | 45,569              | 58,852              | 65,729              | 40,572              | 37,247              |
| Committed  | 1,311,460           | 1,138,836           | 739,161             | 917,589             | 1,132,322           |
| Unassigned   | (8,238,260)         | (7,906,594)         | (8,171,762)         | (10,070,984)        | (9,211,633)         |
| <b>General fund (prior to GASB 54)</b>                 |                     |                     |                     |                     |                     |
| Reserved   |                     |                     |                     |                     |                     |
| Unreserved   |                     |                     |                     |                     |                     |
| <b>Total general fund</b>                              | <b>(6,852,930)</b>  | <b>(6,678,339)</b>  | <b>(7,334,477)</b>  | <b>(9,078,171)</b>  | <b>(8,009,956)</b>  |
| <b>All other governmental funds (per GASB 54)</b>      |                     |                     |                     |                     |                     |
| Nonspendable   | \$ 120,025          | \$ 101,255          | \$ 108,746          | \$ 85,281           | \$ 78,447           |
| Restricted   | 2,987,518           | 3,623,415           | 3,347,699           | 3,248,413           | 3,192,381           |
| Committed  | 3,110,300           | 5,480,900           | 3,408,438           | 3,783,223           | 3,437,839           |
| Assigned   | 1,227               | 10,007              | 9,265               | 7,959               | 20,984              |
| Unassigned   | (1,374,629)         | (1,230,375)         | (1,432,956)         | (1,553,553)         | (1,698,486)         |
| <b>All other governmental funds (prior to GASB 54)</b> |                     |                     |                     |                     |                     |
| Reserved   |                     |                     |                     |                     |                     |
| Unreserved, reported in:                               |                     |                     |                     |                     |                     |
| Special revenue funds                                  |                     |                     |                     |                     |                     |
| Debt service funds                                     |                     |                     |                     |                     |                     |
| Capital projects funds                                 |                     |                     |                     |                     |                     |
| Permanent funds  |                     |                     |                     |                     |                     |
| <b>Total all other governmental funds</b>              | <b>\$ 4,844,441</b> | <b>\$ 7,985,202</b> | <b>\$ 5,441,192</b> | <b>\$ 5,571,323</b> | <b>\$ 5,031,165</b> |

Notes: Balances have been restated for prior period adjustments, corrections and reclassifications when practical. Additionally, due to the implementation of GASB Statement No. 54 in fiscal year 2011, fund balances have been classified as Nonspendable, Restricted, Committed, Assigned and Unassigned. For fiscal years prior to 2011, fund balances were classified as Reserved or Unreserved according to GASB Statement No. 34.

**Schedule 1**

**Ended June 30,**

| <b>2010</b>         | <b>2009</b>         | <b>2008</b>         | <b>2007</b>         | <b>2006</b>         |
|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$ 14,770,681       | \$ 14,148,546       | \$ 13,688,917       | \$ 13,370,326       | \$ 12,518,094       |
| 1,257,062           | 998,026             | 978,277             | 954,435             | 956,926             |
| (53,562,848)        | (44,608,334)        | (39,213,817)        | (35,169,568)        | (32,218,061)        |
| <u>(37,535,105)</u> | <u>(29,461,762)</u> | <u>(24,546,623)</u> | <u>(20,844,807)</u> | <u>(18,743,041)</u> |
| 3,791               | 3,630               | 2,983               | 2,966               | 3,114               |
| 2,182,492           | 2,732,443           | 4,533,482           | 4,534,492           | 3,923,607           |
| (1,227,648)         | (161,927)           | (840)               | (15,145)            | (111,414)           |
| <u>958,635</u>      | <u>2,574,146</u>    | <u>4,535,625</u>    | <u>4,522,313</u>    | <u>3,815,307</u>    |
| 14,774,472          | 14,152,176          | 13,691,900          | 13,373,292          | 12,521,208          |
| 3,439,554           | 3,730,469           | 5,511,759           | 5,488,927           | 4,880,533           |
| (54,790,496)        | (44,770,261)        | (39,214,657)        | (35,184,713)        | (32,329,475)        |
| <u>\$36,576,470</u> | <u>\$26,887,616</u> | <u>\$20,010,998</u> | <u>\$16,322,494</u> | <u>\$14,927,734</u> |

**Schedule 2**

**Ended June 30,**

| <b>2010</b>         | <b>2009</b>         | <b>2008</b>         | <b>2007</b>         | <b>2006</b>         |
|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$ 44,002           | \$ 40,803           | \$ 67,135           | \$ 53,544           | \$ 49,921           |
| (8,861,844)         | (7,463,137)         | (4,102,555)         | (4,224,670)         | (3,020,145)         |
| <u>(8,817,842)</u>  | <u>(7,422,334)</u>  | <u>(4,035,420)</u>  | <u>(4,171,126)</u>  | <u>(2,970,224)</u>  |
| \$ 501,514          | \$ 507,169          | \$ 488,365          | \$ 165,428          | \$ 180,970          |
| 1,287,511           | 1,990,761           | 2,215,352           | 2,441,850           | 2,506,755           |
| 1,061,585           | 837,423             | 850,615             | 834,197             | 823,784             |
| 2,036,453           | 15,991              | 46,248              | 143,539             | 465,974             |
| 13,648              | 916                 | 1,248               | 1,131               | 1,108               |
| <u>\$ 4,900,711</u> | <u>\$ 3,352,260</u> | <u>\$ 3,601,828</u> | <u>\$ 3,586,145</u> | <u>\$ 3,978,591</u> |

***State of Illinois*****Changes in Net Position****Last Ten Fiscal Years****(Accrual Basis of Accounting, Amounts in Thousands)**

|   | <b>For the Fiscal Year</b> |                     |                     |                     |                     |
|---|----------------------------|---------------------|---------------------|---------------------|---------------------|
|   | <b>2015</b>                | <b>2014</b>         | <b>2013</b>         | <b>2012</b>         | <b>2011</b>         |
| <b>Governmental Activities:</b>                                 |                            |                     |                     |                     |                     |
| <b>Expenses</b>   |                            |                     |                     |                     |                     |
| Health and social services                                      | \$ 29,744,877              | \$ 27,341,750       | \$ 25,885,439       | \$ 26,021,677       | \$ 24,972,973       |
| Education   | 19,302,465                 | 19,049,547          | 18,363,509          | 17,703,469          | 17,839,554          |
| General government  | 2,717,269                  | 2,449,947           | 2,771,340           | 2,575,789           | 1,755,142           |
| Employment and economic development                             | 1,251,097                  | 1,271,862           | 1,318,453           | 1,332,412           | 1,581,353           |
| Transportation  | 5,132,636                  | 5,103,505           | 5,007,079           | 4,471,245           | 4,867,065           |
| Public protection and justice                                   | 3,600,577                  | 3,394,190           | 3,460,726           | 3,621,072           | 3,579,498           |
| Environment and business regulation                             | 1,104,370                  | 1,050,615           | 910,189             | 1,033,428           | 1,055,309           |
| Intergovernmental-revenue sharing                               | 5,956,535                  | 5,669,666           | 5,397,613           | 5,329,498           | 5,191,373           |
| Interest  | 1,709,219                  | 1,783,172           | 1,518,871           | 1,608,440           | 1,368,509           |
| <b>Total governmental activities expenses</b>                   | <b>70,519,045</b>          | <b>67,114,254</b>   | <b>64,633,219</b>   | <b>63,697,030</b>   | <b>62,210,776</b>   |
| <b>Program revenues</b>   |                            |                     |                     |                     |                     |
| Charges for services:   |                            |                     |                     |                     |                     |
| Health and social services                                      | 236,140                    | 402,880             | 298,154             | 175,218             | 228,431             |
| Education   | 9,446                      | 8,251               | 8,378               | 6,666               | 4,886               |
| General government  | 2,170,928                  | 2,110,376           | 2,177,257           | 2,177,712           | 2,195,738           |
| Employment and economic development                             | 27,622                     | 13,046              | 18,468              | 17,107              | 22,681              |
| Transportation  | 16,082                     | 124,869             | 45,358              | 27,096              | 45,553              |
| Public protection and justice                                   | 145,548                    | 146,781             | 125,859             | 131,729             | 121,456             |
| Environment and business regulation                             | 416,124                    | 441,445             | 388,894             | 446,925             | 316,821             |
| Operating grants and contributions                              | 21,882,386                 | 19,928,670          | 18,650,189          | 18,378,500          | 19,734,925          |
| Capital grants and contributions                                | 1,524,107                  | 1,673,267           | 1,344,794           | 1,555,210           | 1,586,140           |
| <b>Total governmental activities program revenues</b>           | <b>26,428,383</b>          | <b>24,849,585</b>   | <b>23,057,351</b>   | <b>22,916,163</b>   | <b>24,256,631</b>   |
| <b>Total governmental activities net program expense</b>        | <b>(44,090,662)</b>        | <b>(42,264,669)</b> | <b>(41,575,868)</b> | <b>(40,780,867)</b> | <b>(37,954,145)</b> |
| <b>General revenues and other changes in net position</b>       |                            |                     |                     |                     |                     |
| Taxes   |                            |                     |                     |                     |                     |
| Income taxes  | 19,881,531                 | 20,992,371          | 21,259,064          | 19,585,251          | 14,407,585          |
| Sales taxes   | 10,997,205                 | 10,585,448          | 10,213,130          | 9,800,153           | 9,619,503           |
| Motor fuel taxes  | 1,292,178                  | 1,272,818           | 1,253,806           | 1,269,484           | 1,302,295           |
| Public utility taxes  | 1,460,558                  | 1,469,128           | 1,475,677           | 1,487,570           | 1,572,930           |
| Riverboat taxes   | 498,309                    | 521,092             | 583,699             | 495,055             | 457,865             |
| Medical providers assessment taxes                              | 1,400,813                  | 1,672,787           | 1,165,644           | 964,307             | 942,557             |
| Other taxes   | 2,843,428                  | 2,306,427           | 2,288,341           | 2,341,243           | 1,800,980           |
| Interest and investment income                                  | 64,104                     | 61,354              | 46,900              | 53,597              | 62,254              |
| Other revenues  | 777,298                    | 1,342,507           | 1,134,424           | 1,029,051           | 1,019,165           |
| Gain on capital assets traded-in                                | -                          | -                   | -                   | -                   | -                   |
| Special items   | -                          | -                   | 64,598              | -                   | -                   |
| Transfers   | 779,330                    | 834,412             | 824,106             | 778,423             | 695,390             |
| <b>Total general revenues and other changes in net position</b> | <b>39,994,754</b>          | <b>41,058,344</b>   | <b>40,309,389</b>   | <b>37,804,134</b>   | <b>31,880,524</b>   |
| <b>Total governmental activities change in net position</b>     | <b>(4,095,908)</b>         | <b>(1,206,325)</b>  | <b>(1,266,479)</b>  | <b>(2,976,733)</b>  | <b>(6,073,621)</b>  |

Note: Balances have been restated for prior period adjustments, corrections, and reclassifications when practical.

Expenses increased significantly in fiscal year 2015 due to the implementation of GASB Statement No. 68.

Revenue from income taxes increased significantly beginning in 2011 as the State legislatures voted to raise the individual income tax rate from 3% to 5% and the corporate income tax rate from 4.8% to 7.0%.

Revenue from hospital assessment taxes increased significantly during fiscal year 2007 as the State retroactively assessed taxes for fiscal year 2006 revenues upon approval in November 2006 by the federal government of the State's Hospital Assessment plan.

**Schedule 3**

**Ended June 30,**

|  | <b>2010</b> | <b>2009</b> | <b>2008</b> | <b>2007</b> | <b>2006</b> |
|--|-------------|-------------|-------------|-------------|-------------|
|--|-------------|-------------|-------------|-------------|-------------|

|                   |                   |                   |                   |                   |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| \$ 24,444,776     | \$ 23,532,863     | \$ 21,687,952     | \$ 21,417,224     | \$ 18,591,748     |
| 17,255,748        | 16,337,431        | 15,242,711        | 14,433,190        | 13,544,450        |
| 1,478,124         | 1,956,817         | 1,935,074         | 1,668,454         | 1,502,362         |
| 1,258,762         | 861,955           | 874,861           | 988,866           | 1,091,298         |
| 4,852,940         | 4,275,112         | 4,198,002         | 3,818,291         | 3,484,409         |
| 3,391,692         | 3,246,422         | 3,223,783         | 2,730,219         | 2,560,566         |
| 1,033,959         | 803,815           | 926,138           | 835,328           | 733,128           |
| 4,205,934         | 4,631,525         | 5,139,754         | 5,036,015         | 4,565,480         |
| 1,183,995         | 1,123,866         | 1,137,058         | 1,200,754         | 1,222,382         |
| <b>59,105,930</b> | <b>56,769,806</b> | <b>54,365,333</b> | <b>52,128,341</b> | <b>47,295,823</b> |

|                     |                     |                     |                     |                     |
|---------------------|---------------------|---------------------|---------------------|---------------------|
| 173,099             | 177,666             | 154,884             | 137,591             | 119,559             |
| 5,222               | 4,446               | 4,529               | 14,650              | 4,381               |
| 1,891,921           | 2,109,969           | 2,100,042           | 2,046,175           | 1,968,930           |
| 29,567              | 20,208              | 19,714              | 22,075              | 22,933              |
| 117,720             | 53,885              | 78,574              | 44,292              | 30,483              |
| 107,568             | 57,543              | 97,923              | 89,335              | 92,988              |
| 436,716             | 346,929             | 344,794             | 361,174             | 365,324             |
| 20,733,921          | 18,041,268          | 14,287,548          | 14,537,244          | 13,498,279          |
| 964,434             | 1,495,709           | 1,274,394           | 1,025,947           | 1,040,220           |
| <b>24,460,168</b>   | <b>22,307,623</b>   | <b>18,362,402</b>   | <b>18,278,483</b>   | <b>17,143,097</b>   |
| <b>(34,645,762)</b> | <b>(34,462,183)</b> | <b>(36,002,931)</b> | <b>(33,849,858)</b> | <b>(30,152,726)</b> |

|                    |                    |                    |                    |                    |
|--------------------|--------------------|--------------------|--------------------|--------------------|
| 10,186,345         | 11,845,194         | 13,413,993         | 12,337,762         | 11,224,605         |
| 8,840,841          | 9,157,404          | 10,147,458         | 9,846,437          | 9,603,316          |
| 1,295,473          | 1,349,275          | 1,405,713          | 1,443,544          | 1,426,605          |
| 1,558,036          | 1,678,023          | 1,691,688          | 1,605,502          | 1,523,795          |
| 483,091            | 533,271            | 696,835            | 817,590            | 813,489            |
| 969,933            | 978,248            | 804,168            | 1,538,512          | 75,515             |
| 1,715,169          | 2,181,647          | 2,134,966          | 1,973,612          | 1,986,155          |
| 52,233             | 139,553            | 325,057            | 358,191            | 271,291            |
| 803,293            | 1,006,261          | 1,013,148          | 1,173,423          | 1,404,974          |
| 19                 | 4,814              | -                  | -                  | -                  |
| -                  | -                  | -                  | -                  | -                  |
| <b>667,986</b>     | <b>673,354</b>     | <b>668,089</b>     | <b>653,519</b>     | <b>661,109</b>     |
| <b>26,572,419</b>  | <b>29,547,044</b>  | <b>32,301,115</b>  | <b>31,748,092</b>  | <b>28,990,854</b>  |
| <b>(8,073,343)</b> | <b>(4,915,139)</b> | <b>(3,701,816)</b> | <b>(2,101,766)</b> | <b>(1,161,872)</b> |

**State of Illinois****Changes in Net Position****Last Ten Fiscal Years****(Accrual Basis of Accounting, Amounts in Thousands)****(continued)**

|  | <b>For the Fiscal Year</b> |                     |                    |                       |                       |
|--|----------------------------|---------------------|--------------------|-----------------------|-----------------------|
|  | <b>2015</b>                | <b>2014</b>         | <b>2013</b>        | <b>2012</b>           | <b>2011</b>           |
| <b>Business-Type Activities:</b>   |                            |                     |                    |                       |                       |
| <b>Expenses</b>  |                            |                     |                    |                       |                       |
| Unemployment compensation trust  | 1,842,424                  | 2,758,692           | 3,594,082          | 5,087,631             | 6,424,471             |
| Water revolving  | 43,880                     | 37,355              | 45,840             | 85,366                | 84,114                |
| Prepaid tuition program  | 27,931                     | 25,595              | 94,691             | 193,523               | 94,405                |
| Insurance programs   | -                          | -                   | -                  | -                     | -                     |
| Lottery  | 2,138,677                  | 2,084,750           | 2,097,604          | 1,941,324             | 1,601,387             |
| Designated account purchase program  | 14,821                     | 17,769              | 38,197             | 41,617                | 58,376                |
| Federal student loans  | 133,205                    | 167,595             | 177,412            | 189,251               | 212,839               |
| Student loan operation fund  | 26,772                     | 28,494              | 31,158             | 61,292                | 25,668                |
| Other  | 83,895                     | 75,671              | 85,124             | 114,742               | 169,082               |
| <b>Total business-type activities expenses</b>   | <b>4,311,605</b>           | <b>5,195,921</b>    | <b>6,164,108</b>   | <b>7,714,746</b>      | <b>8,670,342</b>      |
| <b>Program revenues</b>  |                            |                     |                    |                       |                       |
| Charges for services:  |                            |                     |                    |                       |                       |
| Unemployment compensation trust  | 2,397,199                  | 2,643,598           | 3,209,935          | 3,216,031             | 2,626,928             |
| Water revolving  | 46,568                     | 43,823              | 43,516             | 42,958                | 44,393                |
| Prepaid tuition program  | 67,762                     | 138,703             | 126,025            | 35,294                | 170,250               |
| Insurance programs   | -                          | -                   | -                  | -                     | -                     |
| Lottery  | 2,850,711                  | 2,868,500           | 2,902,357          | 2,682,379             | 2,269,675             |
| Designated account purchase program  | 22,253                     | 25,371              | 29,858             | 36,110                | 45,434                |
| Federal student loans  | 27,456                     | 33,716              | 29,797             | 23,688                | 19,458                |
| Student loan operation fund  | 11,134                     | 10,085              | 13,848             | 14,172                | 11,721                |
| Other  | 87,167                     | 86,875              | 90,174             | 108,607               | 214,655               |
| Operating grants and contributions   | 270,208                    | 943,403             | 1,724,991          | 2,891,670             | 4,196,904             |
| <b>Total business-type activities program revenues</b>                                   | <b>5,780,458</b>           | <b>6,794,074</b>    | <b>8,170,501</b>   | <b>9,050,909</b>      | <b>9,599,418</b>      |
| <b>Total business-type activities net program revenue (expense)</b>                      | <b>1,468,853</b>           | <b>1,598,153</b>    | <b>2,006,393</b>   | <b>1,336,163</b>      | <b>929,076</b>        |
| <b>General revenues and other changes in net position</b>                                |                            |                     |                    |                       |                       |
| Interest and investment income   | 50,713                     | 34,563              | 7,413              | 39,750                | 41,959                |
| Other revenues   | -                          | -                   | -                  | -                     | 3,314                 |
| Special items  | -                          | -                   | -                  | -                     | -                     |
| Transfers  | (779,330)                  | (834,412)           | (824,106)          | (778,423)             | (695,390)             |
| <b>Total business-type activities general revenues and other changes in net position</b> | <b>(728,617)</b>           | <b>(799,849)</b>    | <b>(816,693)</b>   | <b>(738,673)</b>      | <b>(650,117)</b>      |
| <b>Total business-type activities change in net position</b>                             | <b>740,236</b>             | <b>798,304</b>      | <b>1,189,700</b>   | <b>597,490</b>        | <b>278,959</b>        |
| <b>Total primary government change in net position</b>                                   | <b>\$ (3,355,672)</b>      | <b>\$ (408,021)</b> | <b>\$ (76,779)</b> | <b>\$ (2,379,243)</b> | <b>\$ (5,794,662)</b> |

Note: Balances have been restated for prior period adjustments, corrections, and reclassifications when practical.

Effective for the year ended June 30, 2007, the Teachers Health Insurance Security Fund and the Community College Health Insurance Security Fund are reported as pension (and other employment benefit) funds. They were reported as enterprise funds in previous years.

**Schedule 3**

**Ended June 30,**

|                       | <b>2010</b>           | <b>2009</b>           | <b>2008</b>           | <b>2007</b>         | <b>2006</b> |
|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|-------------|
| 8,259,960             | 5,086,053             | 1,991,147             | 1,795,169             | 1,731,262           |             |
| 113,383               | 18,085                | 17,689                | 22,820                | 22,620              |             |
| 86,447                | 74,718                | 73,559                | 61,641                | 50,730              |             |
| -                     | -                     | -                     | -                     | 409,726             |             |
| 1,544,196             | 1,443,717             | 1,411,951             | 1,370,559             | 1,334,373           |             |
| 57,250                | 62,622                | 101,174               | 303,817               | 267,707             |             |
| 214,905               | 199,964               | 192,771               | 180,554               | 146,053             |             |
| 28,170                | 31,184                | 33,781                | 98,595                | 37,290              |             |
| 112,161               | 91,128                | 114,492               | 113,622               | 56,343              |             |
| <b>10,416,472</b>     | <b>7,007,471</b>      | <b>3,936,564</b>      | <b>3,946,777</b>      | <b>4,056,104</b>    |             |
|                       |                       |                       |                       |                     |             |
| 1,849,486             | 1,600,817             | 1,998,139             | 2,391,445             | 2,678,643           |             |
| 44,940                | 46,007                | 44,163                | 62,818                | 55,557              |             |
| 90,249                | (153,932)             | (75,740)              | 127,123               | 52,090              |             |
| -                     | -                     | -                     | -                     | 421,950             |             |
| 2,196,315             | 2,082,039             | 2,062,048             | 2,003,739             | 1,968,755           |             |
| 55,073                | 50,809                | 74,913                | 192,214               | 163,023             |             |
| 22,451                | 19,756                | 25,629                | 172,003               | 134,277             |             |
| 12,704                | 12,344                | 15,649                | 44,901                | 37,093              |             |
| 106,428               | 118,514               | 121,326               | 121,329               | 59,305              |             |
| <b>5,086,516</b>      | <b>1,866,986</b>      | <b>246,854</b>        | <b>178,263</b>        | <b>140,578</b>      |             |
| <b>9,464,162</b>      | <b>5,643,340</b>      | <b>4,512,981</b>      | <b>5,293,835</b>      | <b>5,711,271</b>    |             |
|                       |                       |                       |                       |                     |             |
| <b>(952,310)</b>      | <b>(1,364,131)</b>    | <b>576,417</b>        | <b>1,347,058</b>      | <b>1,655,167</b>    |             |
|                       |                       |                       |                       |                     |             |
| 4,785                 | 76,006                | 115,694               | 86,036                | 48,698              |             |
| -                     | -                     | 145                   | 1,900                 | 364                 |             |
| -                     | -                     | (10,855)              | -                     | -                   |             |
| <b>(667,986)</b>      | <b>(673,354)</b>      | <b>(668,089)</b>      | <b>(653,519)</b>      | <b>(661,109)</b>    |             |
|                       |                       |                       |                       |                     |             |
| <b>(663,201)</b>      | <b>(597,348)</b>      | <b>(563,105)</b>      | <b>(565,583)</b>      | <b>(612,047)</b>    |             |
|                       |                       |                       |                       |                     |             |
| <b>(1,615,511)</b>    | <b>(1,961,479)</b>    | <b>13,312</b>         | <b>781,475</b>        | <b>1,043,120</b>    |             |
|                       |                       |                       |                       |                     |             |
| <b>\$ (9,688,854)</b> | <b>\$ (6,876,618)</b> | <b>\$ (3,688,504)</b> | <b>\$ (1,320,291)</b> | <b>\$ (118,752)</b> |             |

**State of Illinois****Changes in Fund Balances, Governmental Funds****Last Ten Fiscal Years****(Modified Accrual Basis of Accounting, Amounts in Thousands)**

|   | <b>For the Fiscal Year</b> |                     |                     |                     |                    |
|---|----------------------------|---------------------|---------------------|---------------------|--------------------|
|   | <b>2015</b>                | <b>2014</b>         | <b>2013</b>         | <b>2012</b>         | <b>2011</b>        |
| <b>Revenues</b>   |                            |                     |                     |                     |                    |
| Income taxes  | \$ 19,909,259              | \$ 20,948,992       | \$ 21,094,432       | \$ 19,597,757       | \$ 14,410,452      |
| Sales taxes   | 11,006,405                 | 10,602,973          | 10,218,389          | 9,794,571           | 9,627,310          |
| Motor fuel taxes  | 1,291,139                  | 1,273,009           | 1,254,260           | 1,275,042           | 1,299,397          |
| Public utility taxes  | 1,461,807                  | 1,472,798           | 1,463,308           | 1,495,251           | 1,578,941          |
| Riverboat taxes   | 498,309                    | 521,092             | 583,699             | 495,055             | 457,865            |
| Medical providers assessment taxes                                  | 1,412,493                  | 1,677,667           | 1,149,310           | 961,546             | 944,635            |
| Other taxes   | 2,756,193                  | 2,346,081           | 2,306,255           | 2,168,203           | 1,815,470          |
| Federal government  | 21,981,451                 | 20,573,411          | 19,605,267          | 18,213,961          | 20,389,879         |
| Licenses and fees   | 2,706,962                  | 2,649,213           | 2,491,802           | 2,587,031           | 2,406,475          |
| Interest and other investment income                                | 62,298                     | 59,328              | 45,082              | 52,495              | 51,462             |
| Other revenues  | 2,284,297                  | 2,873,794           | 2,260,237           | 2,095,164           | 2,175,221          |
| <b>Total revenues</b>   | <b>65,370,613</b>          | <b>64,998,358</b>   | <b>62,472,041</b>   | <b>58,736,076</b>   | <b>55,157,107</b>  |
| <b>Expenditures</b>   |                            |                     |                     |                     |                    |
| Health and social services  | 29,029,974                 | 27,024,378          | 25,403,862          | 25,643,420          | 24,571,136         |
| Education   | 17,159,014                 | 17,424,910          | 16,190,331          | 15,064,753          | 15,681,944         |
| General government  | 2,375,648                  | 2,286,984           | 2,243,536           | 2,214,383           | 1,383,859          |
| Employment and economic development                                 | 1,223,773                  | 1,291,102           | 1,291,834           | 1,298,303           | 1,534,519          |
| Transportation  | 3,807,979                  | 3,830,329           | 3,696,646           | 3,272,768           | 3,617,622          |
| Public protection and justice                                       | 3,062,535                  | 2,966,836           | 2,937,295           | 3,180,977           | 3,043,677          |
| Environment and business regulation                                 | 956,821                    | 948,652             | 808,257             | 930,414             | 945,980            |
| Debt service:   |                            |                     |                     |                     |                    |
| Principal   | 2,405,138                  | 2,038,117           | 1,899,704           | 1,819,303           | 1,975,685          |
| Interest  | 1,677,217                  | 1,608,331           | 1,570,741           | 1,576,539           | 1,353,275          |
| Capital outlay  | 1,829,993                  | 1,776,463           | 1,600,425           | 1,916,674           | 2,024,842          |
| Intergovernmental   | 5,956,535                  | 5,669,666           | 5,397,613           | 5,329,498           | 5,191,373          |
| <b>Total expenditures</b>   | <b>69,484,627</b>          | <b>66,865,768</b>   | <b>63,040,244</b>   | <b>62,247,032</b>   | <b>61,323,912</b>  |
| <b>Deficiency of revenues (under) expenditures</b>                  | <b>(4,114,014)</b>         | <b>(1,867,410)</b>  | <b>(568,203)</b>    | <b>(3,510,956)</b>  | <b>(6,166,805)</b> |
| <b>Other Financing Sources (Uses)</b>                               |                            |                     |                     |                     |                    |
| General and special obligation and revenue bonds issued             | -                          | 4,077,000           | 1,150,000           | 2,100,040           | 6,403,460          |
| Premiums on general and special obligation and revenue bonds issued | -                          | 169,216             | 41,540              | 80,268              | 6,607              |
| Discounts on general obligation bonds issued                        | -                          | -                   | -                   | -                   | (90)               |
| General and special obligation refunding bonds issued               | -                          | -                   | 604,110             | 1,797,740           | -                  |
| Premiums on general and special obligation refunding bonds issued   | -                          | -                   | 85,084              | 165,789             | -                  |
| Transfers-in  | 7,182,740                  | 5,844,706           | 6,057,771           | 6,099,132           | 9,694,259          |
| Transfers-out   | (6,403,418)                | (5,010,303)         | (5,233,178)         | (5,334,744)         | (9,068,773)        |
| Payment to refunded bond escrow agent                               | -                          | -                   | (686,236)           | (1,934,435)         | -                  |
| Capital lease financing   | 3,451                      | 2,006               | 1,006               | 2,788               | 1,282              |
| Proceeds from disposition of capital assets                         | -                          | -                   | -                   | -                   | -                  |
| <b>Total other financing sources (uses)</b>                         | <b>782,773</b>             | <b>5,082,625</b>    | <b>2,020,097</b>    | <b>2,976,578</b>    | <b>7,036,745</b>   |
| <b>Special Items</b>  |                            |                     | 165,001             |                     |                    |
| <b>Net change in fund balances</b>                                  | <b>\$ (3,331,241)</b>      | <b>\$ 3,215,215</b> | <b>\$ 1,616,895</b> | <b>\$ (534,378)</b> | <b>\$ 869,940</b>  |
| <b>Debt service as a percentage of noncapital expenditures</b>      | <b>6.03%</b>               | <b>5.60%</b>        | <b>5.65%</b>        | <b>5.63%</b>        | <b>5.61%</b>       |

Notes: Balances have been reclassified for prior period adjustments, corrections, and reclassifications when practical.

Revenue from income taxes increased significantly beginning in 2011 as the State legislatures voted to raise the individual income tax rate from 3% to 5% and the corporate income tax rate from 4.8% to 7.0%.

Revenue from hospital assessment taxes increased significantly during fiscal year 2008 as the State recognized assessed taxes from the previous fiscal year which were unavailable at June 30, 2007.

**Schedule 4**

**Ended June 30,**

| <b>2010</b>        | <b>2009</b>            | <b>2008</b>        | <b>2007</b>            | <b>2006</b>          |
|--------------------|------------------------|--------------------|------------------------|----------------------|
| \$ 10,132,945      | \$ 11,860,233          | \$ 13,546,025      | \$ 12,244,124          | \$ 11,253,161        |
| 8,820,201          | 9,156,235              | 10,142,098         | 9,864,637              | 9,590,006            |
| 1,302,000          | 1,350,032              | 1,410,656          | 1,436,518              | 1,426,963            |
| 1,564,966          | 1,667,389              | 1,695,635          | 1,615,402              | 1,531,206            |
| 483,091            | 533,271                | 696,835            | 817,590                | 813,489              |
| 970,164            | 975,086                | 1,538,237          | 804,797                | 75,515               |
| 1,923,107          | 1,902,400              | 2,100,913          | 1,973,752              | 1,990,265            |
| 21,084,394         | 18,148,428             | 15,123,364         | 14,343,656             | 13,568,161           |
| 2,294,068          | 2,051,258              | 2,138,772          | 2,126,360              | 2,133,112            |
| 52,094             | 136,596                | 318,787            | 349,817                | 265,999              |
| 1,975,536          | 2,317,811              | 2,186,591          | 2,401,881              | 2,668,622            |
| <u>50,602,566</u>  | <u>50,098,739</u>      | <u>50,897,913</u>  | <u>47,978,534</u>      | <u>45,316,499</u>    |
| <br>24,130,047     | <br>23,171,985         | <br>21,212,437     | <br>21,231,376         | <br>18,438,775       |
| 15,525,027         | 14,319,907             | 13,281,734         | 12,357,592             | 11,593,903           |
| 1,316,201          | 1,360,562              | 1,304,174          | 1,316,223              | 1,183,333            |
| 1,193,374          | 802,053                | 814,898            | 960,102                | 1,062,001            |
| 3,698,028          | 3,200,491              | 3,029,674          | 2,800,738              | 2,468,345            |
| 3,003,370          | 2,817,374              | 2,723,434          | 2,488,988              | 2,338,618            |
| 944,869            | 802,942                | 797,785            | 770,455                | 669,501              |
| <br>925,276        | <br>928,339            | <br>937,114        | <br>864,533            | <br>820,486          |
| 1,073,432          | 1,102,787              | 1,100,439          | 1,116,514              | 1,117,167            |
| 1,882,840          | 1,456,465              | 1,238,397          | 1,607,162              | 1,544,912            |
| 4,205,934          | 4,631,525              | 5,139,754          | 5,036,015              | 4,565,480            |
| <u>57,898,398</u>  | <u>54,594,430</u>      | <u>51,579,840</u>  | <u>50,549,698</u>      | <u>45,802,521</u>    |
| <br>(7,295,832)    | <br>(4,495,691)        | <br>(681,927)      | <br>(2,571,164)        | <br>(486,022)        |
| <br><br>6,698,015  | <br><br>150,000        | <br><br>175,000    | <br><br>258,000        | <br><br>1,140,000    |
| 42,840             | 2,290                  | 6,724              | 12,085                 | 63,780               |
| -                  | -                      | -                  | -                      | -                    |
| 1,956,380          | -                      | -                  | 329,000                | 274,950              |
| <br>157,131        | <br>-                  | <br>-              | <br>14,014             | <br>11,824           |
| 11,375,512         | 9,554,492              | 11,883,985         | 9,088,399              | 8,779,739            |
| (10,691,690)       | (8,864,876)            | (11,214,684)       | (8,402,727)            | (8,073,119)          |
| (2,090,772)        | -                      | -                  | (341,849)              | (285,778)            |
| 1,001              | 1,364                  | 1,625              | 8,288                  | 1,366                |
| -                  | -                      | -                  | -                      | 5,500                |
| <u>7,448,417</u>   | <u>843,270</u>         | <u>852,650</u>     | <u>965,210</u>         | <u>1,918,262</u>     |
| <br><br>\$ 152,585 | <br><br>\$ (3,652,421) | <br><br>\$ 170,723 | <br><br>\$ (1,605,954) | <br><br>\$ 1,432,240 |
| <br><br>3.57%      | <br><br>3.82%          | <br><br>4.05%      | <br><br>4.05%          | <br><br>4.38%        |

**State of Illinois****Personal Income by Industry****Last Ten Calendar Years****(Amounts in Thousands)**

|  | For the Calendar Year |                       |                       |                       |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|  | 2014                  | 2013                  | 2012                  | 2011                  | 2010                  |
| Farm earnings                                | \$ 4,118,961          | \$ 8,298,385          | \$ 3,210,000          | \$ 5,532,292          | \$ 2,682,784          |
| Agricultural/forestry,<br>fishing, and other | 568,925               | 483,579               | 493,441               | 400,609               | 400,042               |
| Mining                                       | 1,483,453             | 1,393,633             | 1,361,166             | 1,246,967             | 1,055,190             |
| Construction/utilities                       | 26,224,877            | 24,096,545            | 23,143,630            | 22,654,115            | 22,168,867            |
| Manufacturing                                | 51,330,706            | 49,773,130            | 50,304,175            | 47,774,172            | 44,739,656            |
| Transportation and<br>public utilities       | 19,350,673            | 18,750,762            | 18,594,762            | 17,509,749            | 15,909,648            |
| Wholesale trade                              | 29,782,191            | 28,896,016            | 28,289,057            | 26,716,403            | 24,751,332            |
| Retail trade                                 | 23,581,535            | 23,224,845            | 22,735,691            | 22,002,402            | 21,188,835            |
| Finance, insurance,<br>and real estate       | 45,765,297            | 43,623,531            | 43,998,749            | 42,229,277            | 41,170,325            |
| Services                                     | 189,050,255           | 181,827,791           | 178,089,398           | 169,685,656           | 161,269,661           |
| Federal, civilian                            | 8,430,361             | 8,292,095             | 8,477,026             | 8,651,107             | 8,688,814             |
| Military                                     | 2,353,006             | 2,476,450             | 2,591,007             | 2,665,531             | 2,933,969             |
| State and local government                   | 55,117,235            | 54,826,513            | 53,445,811            | 53,065,368            | 52,870,403            |
| Other  | 156,514,064           | 153,155,693           | 158,315,322           | 149,547,231           | 141,431,602           |
| <b>Total personal income</b>                 | <b>\$ 613,671,539</b> | <b>\$ 599,118,968</b> | <b>\$ 593,049,235</b> | <b>\$ 569,680,879</b> | <b>\$ 541,261,128</b> |
| <b>Tax liability</b>                         | <b>\$ 15,532,205</b>  | <b>\$ 14,701,925</b>  | <b>\$ 15,703,310</b>  | <b>\$ 12,855,244</b>  | <b>\$ 8,131,062</b>   |
| <b>Average effective rate</b>                | <b>2.53%</b>          | <b>2.45%</b>          | <b>2.65%</b>          | <b>2.26%</b>          | <b>1.50%</b>          |

Note: The total direct rate for personal income is not available.

Average effective rate equals tax collections divided by income.

Source: U.S. Bureau of Economic Analysis

**State of Illinois****Taxable Sales by Industry****Last Ten Fiscal Years****(Amounts in Thousands)**

|                                 | For the Fiscal Year   |                       |                       |                       |                       |
|---------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                 | 2015                  | 2014                  | 2013                  | 2012                  | 2011                  |
| General merchandise             | \$ 20,525,330         | \$ 20,909,371         | \$ 20,984,402         | \$ 21,379,802         | \$ 12,406,368         |
| Food                            | 21,908,129            | 20,659,706            | 19,927,008            | 20,602,149            | 19,700,141            |
| Drinking and eating places      | 22,062,665            | 20,728,370            | 19,171,381            | 19,377,805            | 18,408,341            |
| Apparel                         | 7,420,636             | 7,001,093             | 6,600,261             | 6,601,677             | 14,736,097            |
| Furniture, household, and radio | 9,641,594             | 9,327,989             | 8,827,231             | 9,201,686             | 8,833,159             |
| Lumber, building, and hardware  | 9,462,798             | 8,976,058             | 8,503,130             | 8,593,170             | 8,332,430             |
| Automotive and filling stations | 40,196,438            | 34,835,154            | 36,601,135            | 35,771,184            | 33,575,575            |
| Drugs and other retail          | 29,927,521            | 28,062,832            | 26,806,067            | 27,458,332            | 25,180,327            |
| Agriculture and extractives     | 27,431,997            | 26,517,679            | 23,787,602            | 24,608,599            | 24,720,332            |
| Manufacturing                   | 5,476,697             | 4,772,007             | 4,308,047             | 4,308,079             | 4,294,155             |
| <b>Total</b>                    | <b>\$ 194,053,805</b> | <b>\$ 181,790,259</b> | <b>\$ 175,516,264</b> | <b>\$ 177,902,483</b> | <b>\$ 170,186,925</b> |

Direct sales tax rate:

|   |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|
| Qualifying food, drugs,<br>and medical appliances | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% |
| General merchandise                               | 6.25% | 6.25% | 6.25% | 6.25% | 6.25% |

Source: Department of Revenue

**Schedule 5**

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**Ended December 31,**

|                       | <b>2009</b>           | <b>2008</b>           | <b>2007</b>           | <b>2006</b>           | <b>2005</b>  |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|--------------|
| \$                    | 3,675,328             | \$ 5,422,610          | \$ 3,189,921          | \$ 2,078,022          | \$ 1,830,007 |
| 337,430               | 303,781               | 353,138               | 344,059               | 335,074               |              |
| 958,850               | 1,649,272             | 2,380,656             | 2,765,061             | 2,317,874             |              |
| 23,583,056            | 27,041,713            | 27,690,823            | 28,794,477            | 26,932,201            |              |
| 44,218,451            | 50,343,959            | 49,625,389            | 48,647,548            | 47,039,206            |              |
| 15,504,381            | 16,443,681            | 16,598,805            | 16,486,056            | 15,541,871            |              |
| 24,685,079            | 26,518,608            | 26,280,719            | 24,612,794            | 23,160,257            |              |
| 21,193,604            | 22,157,215            | 23,039,406            | 22,162,856            | 21,515,885            |              |
| 40,564,313            | 42,836,772            | 44,827,372            | 44,379,687            | 41,569,224            |              |
| 159,690,997           | 163,105,293           | 159,925,967           | 151,644,458           | 142,590,569           |              |
| 8,013,486             | 7,842,572             | 8,429,172             | 8,172,661             | 7,975,398             |              |
| 2,901,517             | 2,742,642             | 3,107,053             | 2,911,719             | 2,834,733             |              |
| 50,758,390            | 49,244,161            | 42,813,098            | 40,860,095            | 39,567,981            |              |
| 135,560,354           | 136,783,471           | 124,325,490           | 110,633,528           | 98,862,396            |              |
| <b>\$ 531,645,236</b> | <b>\$ 552,435,750</b> | <b>\$ 532,587,009</b> | <b>\$ 504,493,021</b> | <b>\$ 472,072,676</b> |              |
| <b>\$ 7,812,307</b>   | <b>\$ 8,402,169</b>   | <b>\$ 8,762,122</b>   | <b>\$ 8,388,536</b>   | <b>\$ 7,729,649</b>   |              |
| <b>1.47%</b>          | <b>1.52%</b>          | <b>1.65%</b>          | <b>1.66%</b>          | <b>1.64%</b>          |              |

**Schedule 6**

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**Ended June 30,**

|                       | <b>2010</b>           | <b>2009</b>           | <b>2008</b>           | <b>2007</b>           | <b>2006</b>   |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------|
| \$                    | 12,014,343            | \$ 17,198,339         | \$ 20,795,910         | \$ 20,309,083         | \$ 19,600,033 |
| 18,932,808            | 19,434,980            | 20,055,709            | 18,894,356            | 18,832,493            |               |
| 16,857,284            | 17,362,456            | 17,839,212            | 17,116,672            | 16,627,151            |               |
| 13,560,264            | 9,192,958             | 6,360,979             | 6,141,805             | 5,827,022             |               |
| 8,249,837             | 8,797,308             | 10,466,904            | 10,280,540            | 10,441,898            |               |
| 8,040,005             | 8,678,872             | 12,620,346            | 12,626,543            | 10,879,756            |               |
| 29,714,908            | 30,055,943            | 37,943,597            | 32,772,319            | 35,803,644            |               |
| 23,792,285            | 24,366,956            | 25,329,145            | 24,817,828            | 22,775,595            |               |
| 21,475,741            | 23,809,122            | 27,059,367            | 25,952,233            | 25,522,299            |               |
| 3,980,846             | 4,445,506             | 4,990,610             | 5,068,327             | 4,927,891             |               |
| <b>\$ 156,618,321</b> | <b>\$ 163,342,440</b> | <b>\$ 183,461,779</b> | <b>\$ 173,979,706</b> | <b>\$ 171,237,782</b> |               |

|       |       |       |       |
|-------|-------|-------|-------|
| 1.00% | 1.00% | 1.00% | 1.00% |
| 6.25% | 6.25% | 6.25% | 6.25% |

***State of Illinois*****Schedule 7**
**Personal Income Tax Filers and Liability by Income Level**  
**Calendar Years 2014 and 2005**  
**(Amounts in Thousands)**

| <b>For the Calendar Year Ended December 31, 2014</b> |                         |                            |                                      |                            |
|--|-------------------------|----------------------------|--------------------------------------|----------------------------|
| <b>Income Level</b>                                  | <b>Number of Filers</b> | <b>Percentage of Total</b> | <b>Personal Income Tax Liability</b> | <b>Percentage of Total</b> |
| \$500,001 and higher                                 | 50,813                  | 0.91%                      | \$ 3,177,655                         | 20.46%                     |
| \$100,001 - \$500,000                                | 983,615                 | 17.59%                     | 6,579,854                            | 42.36%                     |
| \$50,001 - \$100,000                                 | 1,309,130               | 23.41%                     | 3,392,545                            | 21.84%                     |
| \$25,001 - \$50,000                                  | 1,243,556               | 22.24%                     | 1,637,154                            | 10.54%                     |
| \$25,000 and less                                    | 2,004,043               | 35.85%                     | 744,997                              | 4.80%                      |
| Total  | <u>5,591,157</u>        | <u>100.00%</u>             | <u>\$ 15,532,205</u>                 | <u>100.00%</u>             |

| <b>For the Calendar Year Ended December 31, 2005</b> |                         |                            |                                      |                            |
|--|-------------------------|----------------------------|--------------------------------------|----------------------------|
| <b>Income Level</b>                                  | <b>Number of Filers</b> | <b>Percentage of Total</b> | <b>Personal Income Tax Liability</b> | <b>Percentage of Total</b> |
| \$500,001 and higher                                 | 39,161                  | 0.73%                      | \$ 1,752,919                         | 22.68%                     |
| \$100,001 - \$500,000                                | 622,765                 | 11.62%                     | 2,522,434                            | 32.63%                     |
| \$50,001 - \$100,000                                 | 1,262,735               | 23.55%                     | 1,992,439                            | 25.78%                     |
| \$25,001 - \$50,000                                  | 1,292,834               | 24.11%                     | 1,014,157                            | 13.12%                     |
| \$25,000 and less                                    | 2,143,767               | 39.99%                     | 447,700                              | 5.79%                      |
| Total  | <u>5,361,262</u>        | <u>100.00%</u>             | <u>\$ 7,729,649</u>                  | <u>100.00%</u>             |

Note: Generally, the tax liability for a filer (an individual or married couple) is calculated by taking the filer's federal adjusted gross income and subtracting the number of exemptions and multiplying the result by the State's income tax rate. The State exemption amount was \$2,000 for calendar year 2005 and \$2,100 for calendar year 2014. An exemption is allowed on a return for each filer and dependent. Additional exemptions are allowed for each filer who is 65 or older and for each filer who is legally blind.

Source: Department of Revenue

***State of Illinois*****Schedule 8**
**Sales Tax Revenue Payers by Industry**  
**Fiscal Years 2015 and 2006**  
**(Amounts in Thousands)**

|                                 | For the Fiscal Year Ended June 30, 2015 |                        |                      |                        |
|---------------------------------|---|------------------------|----------------------|------------------------|
|                                 | Number<br>of Filers                     | Percentage<br>of Total | Tax<br>Liability     | Percentage<br>of Total |
| General merchandise             | 1,875                                   | 0.35%                  | \$ 1,285,143         | 9.68%                  |
| Food                            | 6,843                                   | 1.27%                  | 931,804              | 7.02%                  |
| Drinking and eating places      | 26,278                                  | 4.88%                  | 1,824,908            | 13.75%                 |
| Apparel                         | 7,681                                   | 1.43%                  | 608,863              | 4.59%                  |
| Furniture, household, and radio | 12,054                                  | 2.24%                  | 769,963              | 5.80%                  |
| Lumber, building, and hardware  | 11,786                                  | 2.19%                  | 783,872              | 5.90%                  |
| Automotive and filling stations | 339,303                                 | 63.07%                 | 2,851,953            | 21.48%                 |
| Drugs and other retail          | 52,276                                  | 9.72%                  | 1,687,467            | 12.71%                 |
| Agriculture and extractives     | 66,595                                  | 12.38%                 | 2,064,993            | 15.56%                 |
| Manufacturing                   | 13,302                                  | 2.47%                  | 466,148              | 3.51%                  |
| <b>Total</b>                    | <b>537,993</b>                          | <b>100.00%</b>         | <b>\$ 13,275,114</b> | <b>100.00%</b>         |

|                                 | For the Fiscal Year Ended June 30, 2006 |                        |                      |                        |
|---------------------------------|---|------------------------|----------------------|------------------------|
|                                 | Number<br>of Filers                     | Percentage<br>of Total | Tax<br>Liability     | Percentage<br>of Total |
| General merchandise             | 2,356                                   | 0.82%                  | \$ 1,356             | 0.01%                  |
| Food                            | 8,879                                   | 3.08%                  | 693,588              | 6.88%                  |
| Drinking and eating places      | 26,864                                  | 9.31%                  | 1,277,492            | 12.66%                 |
| Apparel                         | 8,929                                   | 3.09%                  | 459,373              | 4.55%                  |
| Furniture, household, and radio | 17,226                                  | 5.97%                  | 786,137              | 7.79%                  |
| Lumber, building, and hardware  | 14,159                                  | 4.91%                  | 835,841              | 8.29%                  |
| Automotive and filling stations | 58,580                                  | 20.30%                 | 2,466,911            | 24.45%                 |
| Drugs and other retail          | 67,909                                  | 23.52%                 | 1,279,345            | 12.68%                 |
| Agriculture and extractives     | 70,824                                  | 24.54%                 | 1,871,559            | 18.55%                 |
| Manufacturing                   | 12,870                                  | 4.46%                  | 416,985              | 4.14%                  |
| <b>Total</b>                    | <b>288,596</b>                          | <b>100.00%</b>         | <b>\$ 10,088,587</b> | <b>100.00%</b>         |

Note: Due to confidentiality issues, the names of the ten largest sales tax revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's sales tax revenue.

Also, in fiscal year 2007, the Department of Revenue changed their system of returns for automobile sales to counting each individual sale of a vehicle as a sales tax return filed.

Source: Department of Revenue

**State of Illinois**

**Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
(Amounts in Thousands)**

|   | <b>For the Fiscal</b> |                      |                      |                      |                      |
|---|-----------------------|----------------------|----------------------|----------------------|----------------------|
|   | <b>2015</b>           | <b>2014</b>          | <b>2013</b>          | <b>2012</b>          | <b>2011</b>          |
| <b>Governmental activities</b>  |                       |                      |                      |                      |                      |
| General obligation bonds  | \$ 27,421,318         | \$ 29,543,582        | \$ 27,398,638        | \$ 28,141,980        | \$ 28,256,367        |
| Special obligation bonds  | 2,912,003             | 3,181,684            | 3,000,345            | 2,934,527            | 2,394,597            |
| Revenue bonds   | 1,237,731             | 1,314,929            | 1,386,166            | 1,450,094            | 1,509,846            |
| Capital leases  | 7,244                 | 6,073                | 6,818                | 7,648                | 6,632                |
| Installment purchases   | 442                   | 808                  | 1,155                | 3,412                | 8,109                |
| Certificates of participation   | 33,060                | 41,265               | 49,020               | 58,190               | 66,870               |
| <b>Total governmental activities</b>                                    | <b>31,611,798</b>     | <b>34,088,341</b>    | <b>31,842,142</b>    | <b>32,595,851</b>    | <b>32,242,421</b>    |
| <b>Business-type activities</b>   |                       |                      |                      |                      |                      |
| Revenue bonds   | 925,265               | 1,457,745            | 1,822,051            | 590,704              | 704,284              |
| Notes payable   | -                     | -                    | -                    | -                    | -                    |
| Capital leases  | 26                    | -                    | -                    | -                    | 4                    |
| Installment purchases   | -                     | -                    | -                    | -                    | -                    |
| <b>Total business-type activities</b>                                   | <b>925,291</b>        | <b>1,457,745</b>     | <b>1,822,051</b>     | <b>590,704</b>       | <b>704,288</b>       |
| <b>Total primary government</b>   | <b>\$ 32,537,089</b>  | <b>\$ 35,546,086</b> | <b>\$ 33,664,193</b> | <b>\$ 33,186,555</b> | <b>\$ 32,946,709</b> |
| <b>Total primary government debt as a percentage of personal income</b> | <b>5.30%</b>          | <b>5.93%</b>         | <b>5.68%</b>         | <b>5.83%</b>         | <b>6.09%</b>         |
| <b>Total amount of primary government debt per capita</b>               | <b>\$ 2.526</b>       | <b>\$ 2.757</b>      | <b>\$ 2.615</b>      | <b>\$ 2.581</b>      | <b>\$ 2.566</b>      |

Notes: Details regarding the State's debt can be found in Notes 9, 10, 11 and 13 of the financial statements.

Due to the implementation of GASB 65 in fiscal year 2014, deferred amounts on refundings are now reported as deferred inflows/outflows of resources on the statement of net position and are no longer included as liabilities. For fiscal years prior to 2014, deferred amounts on refundings are included in the amounts reported as outstanding debt.

**Schedule 9**

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| <b>Year Ended June 30,</b> |            |                      |            |                      |            |
|----------------------------|------------|----------------------|------------|----------------------|------------|
| <b>2010</b>                |            | <b>2009</b>          |            | <b>2008</b>          |            |
| \$                         | 25,136,941 | \$                   | 19,669,908 | \$                   | 20,253,876 |
| 2,591,591                  |            | 2,204,110            |            | 2,365,323            |            |
| -                          |            | -                    |            | -                    |            |
| 6,477                      |            | 8,736                |            | 9,727                |            |
| 14,158                     |            | 19,067               |            | 12,302               |            |
| 75,095                     |            | 82,895               |            | 90,300               |            |
| <u>27,824,262</u>          |            | <u>21,984,716</u>    |            | <u>22,731,528</u>    |            |
|                            |            |                      |            |                      |            |
| 1,019,701                  |            | 1,027,300            |            | 879,441              |            |
| -                          |            | -                    |            | -                    |            |
| 7                          |            | 3                    |            | 5                    |            |
| -                          |            | -                    |            | -                    |            |
| <u>1,019,708</u>           |            | <u>1,027,303</u>     |            | <u>879,446</u>       |            |
|                            |            |                      |            |                      |            |
| <u>\$ 28,843,970</u>       |            | <u>\$ 23,012,019</u> |            | <u>\$ 23,610,974</u> |            |
|                            |            |                      |            |                      |            |
| <u>5.43%</u>               |            | <u>4.17%</u>         |            | <u>4.43%</u>         |            |
|                            |            |                      |            |                      |            |
| <u>\$ 2.254</u>            |            | <u>\$ 1.805</u>      |            | <u>\$ 1.860</u>      |            |
|                            |            |                      |            |                      |            |
| <u>\$ 2.149</u>            |            | <u>\$ 2.149</u>      |            | <u>\$ 2.257</u>      |            |
|                            |            |                      |            |                      |            |

**State of Illinois****Ratios of General Bonded Debt Outstanding and Debt Limitations****Last Ten Fiscal Years****(Amounts in Thousands)**

|  | <b>2015</b>                 | <b>2014</b>                 | <b>2013</b>                 | <b>2012</b>                 | <b>For the Fiscal</b>       |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|  |                             |                             |                             |                             | <b>2011</b>                 |
| <b>General bonded debt</b>   |                             |                             |                             |                             |                             |
| General obligation bonds   | \$ 27,421,318               | \$ 29,543,582               | \$ 27,398,638               | \$ 28,141,980               | \$ 28,256,367               |
| Special obligation bonds   | 2,912,003                   | 3,181,684                   | 3,000,345                   | 2,934,527                   | 2,394,597                   |
|  | <u>\$ 30,333,321</u>        | <u>\$ 32,725,266</u>        | <u>\$ 30,398,983</u>        | <u>\$ 31,076,507</u>        | <u>\$ 30,650,964</u>        |
| Less: Amounts restricted for debt service                            | 1,407,540                   | 1,804,967                   | 1,615,537                   | 1,478,072                   | 1,366,885                   |
| <b>Net total general bonded debt</b>                                 | <u><u>\$ 28,925,781</u></u> | <u><u>\$ 30,920,299</u></u> | <u><u>\$ 28,783,446</u></u> | <u><u>\$ 29,598,435</u></u> | <u><u>\$ 29,284,079</u></u> |
| <b>Total general bonded debt as a percentage of personal income</b>  | <u>4.71%</u>                | <u>5.16%</u>                | <u>4.85%</u>                | <u>5.20%</u>                | <u>5.41%</u>                |
| <b>Total general bonded debt as a percentage of taxable sales</b>    | <u>14.91%</u>               | <u>17.01%</u>               | <u>16.40%</u>               | <u>16.64%</u>               | <u>17.21%</u>               |
| <b>Total amount of general obligation debt per capita</b>            | <u>\$ 2.246</u>             | <u>\$ 2.399</u>             | <u>\$ 2.236</u>             | <u>\$ 2.302</u>             | <u>\$ 2.281</u>             |
| <b>Authorized general bonded debt</b>                                |                             |                             |                             |                             |                             |
| General obligation bonds   | \$ 57,855,951               | \$ 57,855,951               | \$ 55,630,951               | \$ 54,014,151               | \$ 54,014,151               |
| Special obligation bonds   | 6,446,009                   | 6,446,009                   | 5,903,509                   | 5,903,509                   | 4,815,509                   |
| <b>Total authorized general bonded debt</b>                          | <u><u>\$ 64,301,960</u></u> | <u><u>\$ 64,301,960</u></u> | <u><u>\$ 61,534,460</u></u> | <u><u>\$ 59,917,660</u></u> | <u><u>\$ 58,829,660</u></u> |
| <b>Issued general bonded debt</b>                                    |                             |                             |                             |                             |                             |
| General obligation bonds   | \$ 54,408,046               | \$ 54,408,046               | \$ 50,733,045               | \$ 49,883,046               | \$ 46,710,306               |
| Special obligation bonds   | 5,512,193                   | 5,512,193                   | 5,110,193                   | 4,810,193                   | 4,085,153                   |
| <b>Total issued general bonded debt</b>                              | <u><u>\$ 59,920,239</u></u> | <u><u>\$ 59,920,239</u></u> | <u><u>\$ 55,843,238</u></u> | <u><u>\$ 54,693,239</u></u> | <u><u>\$ 50,795,459</u></u> |
| <b>General bonded debt margin<br/>(Authorized but unissued debt)</b> |                             |                             |                             |                             |                             |
| General obligation bonds   | \$ 9,013,252                | \$ 7,981,693                | \$ 8,983,350                | \$ 7,852,278                | \$ 10,481,559               |
| Special obligation bonds   | 1,072,806                   | 1,069,091                   | 925,101                     | 1,221,821                   | 852,891                     |
| <b>Total general bonded debt margin</b>                              | <u><u>\$ 10,086,058</u></u> | <u><u>\$ 9,050,784</u></u>  | <u><u>\$ 9,908,451</u></u>  | <u><u>\$ 9,074,099</u></u>  | <u><u>\$ 11,334,450</u></u> |
| <b>Issued bonded debt to authorized bonded debt ratio</b>            |                             |                             |                             |                             |                             |
| General obligation bonds   | 94.04%                      | 94.04%                      | 91.20%                      | 92.35%                      | 86.48%                      |
| Special obligation bonds   | 85.51%                      | 85.51%                      | 86.56%                      | 81.48%                      | 84.83%                      |
| <b>Total issued bonded debt to authorized bonded debt ratio</b>      | <u>93.19%</u>               | <u>93.19%</u>               | <u>90.75%</u>               | <u>91.28%</u>               | <u>86.34%</u>               |

Note: Details regarding the State's general obligation bonds can be found in Note 9 of the financial statements.

Details regarding the State's special obligation bonds can be found in Note 10 of the financial statements.

Due to the implementation of GASB 65 in fiscal year 2014, deferred amounts on refundings are now reported as deferred inflows/outflows of resources on the statement of net position and are no longer included as liabilities. For fiscal years prior to 2014, deferred amounts on refundings are included in the amounts reported as outstanding debt.

The State's authorized bonded debt limits are established by the General Obligation Bond Act (30 ILCS 330), the Metropolitan Civic Center Support Act (30 ILCS 355), and the Build Illinois Bond Act (30 ILCS 425).

**Schedule 10**

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**Year Ended June 30,**

| <b>2010</b>  | <b>2009</b>  | <b>2008</b>  | <b>2007</b>  | <b>2006</b>  |
|--|--|--|--|--|
| \$ 25,136,941<br>2,591,591<br>27,728,532           | \$ 19,669,908<br>2,204,110<br>21,874,018           | \$ 20,253,876<br>2,365,323<br>22,619,199           | \$ 20,865,798<br>2,467,733<br>23,333,531           | \$ 21,257,664<br>2,614,724<br>23,872,388           |
| <u>1,071,220</u>                                   | <u>848,302</u>                                     | <u>861,152</u>                                     | <u>846,063</u>                                     | <u>833,273</u>                                     |
| <u>\$ 26,657,312</u>                               | <u>\$ 21,025,716</u>                               | <u>\$ 21,758,047</u>                               | <u>\$ 22,487,468</u>                               | <u>\$ 23,039,115</u>                               |
| <u>5.01%</u>                                       | <u>3.81%</u>                                       | <u>4.09%</u>                                       | <u>4.46%</u>                                       | <u>4.88%</u>                                       |
| <u>17.02%</u>                                      | <u>12.87%</u>                                      | <u>11.86%</u>                                      | <u>12.93%</u>                                      | <u>13.45%</u>                                      |
| <u>\$ 2.083</u>                                    | <u>\$ 1.649</u>                                    | <u>\$ 1.714</u>                                    | <u>\$ 1.779</u>                                    | <u>\$ 1.827</u>                                    |
| \$ 45,755,802<br>4,815,509<br><u>\$ 50,571,311</u> | \$ 39,231,174<br>4,005,509<br><u>\$ 43,236,683</u> | \$ 34,196,174<br>4,005,509<br><u>\$ 38,201,683</u> | \$ 34,196,174<br>4,005,509<br><u>\$ 38,201,683</u> | \$ 34,196,174<br>4,005,509<br><u>\$ 38,201,683</u> |
| \$ 41,810,306<br>4,085,153<br><u>\$ 45,895,459</u> | \$ 34,140,911<br>3,555,233<br><u>\$ 37,696,144</u> | \$ 33,990,911<br>3,437,968<br><u>\$ 37,428,879</u> | \$ 33,865,911<br>3,387,968<br><u>\$ 37,253,879</u> | \$ 33,278,911<br>3,387,968<br><u>\$ 36,666,879</u> |
| \$ 6,900,602<br>852,891<br><u>\$ 7,753,493</u>     | \$ 7,809,162<br>570,096<br><u>\$ 8,379,258</u>     | \$ 2,765,379<br>567,541<br><u>\$ 3,332,920</u>     | \$ 2,732,465<br>617,541<br><u>\$ 3,350,006</u>     | \$ 3,110,369<br>617,541<br><u>\$ 3,727,910</u>     |
| 91.38%<br>84.83%                                   | 87.02%<br>88.76%                                   | 99.40%<br>85.83%                                   | 99.03%<br>84.58%                                   | 97.32%<br>84.58%                                   |
| 90.75%   | 87.19%   | 97.98%   | 97.52%   | 95.98%   |

**State of Illinois****Schedule 11****Pledged Revenue Coverage****Last Ten Fiscal Years**

(Amounts in Thousands)

| Fiscal Year  | Gross Revenues | Direct Operating Expenses | Net Revenue Available for Debt Service | Debt Service Requirements |            |            | Coverage |  |  |  |  |
|--|----------------|---------------------------|--|---------------------------|------------|------------|----------|--|--|--|--|
|  |                |                           |  | Principal                 | Interest   | Total      |          |  |  |  |  |
| <b>PRIMARY GOVERNMENT</b>  |                |                           |  |                           |            |            |          |  |  |  |  |
| <b>Build Illinois Bond Fund - Pledged revenue of portion of sales tax collections</b>              |                |                           |  |                           |            |            |          |  |  |  |  |
| 2015   | \$ 604,324     | \$ -                      | \$ 604,324                             | \$ 240,995                | \$ 128,985 | \$ 369,980 | 1.63     |  |  |  |  |
| 2014   | 570,824        | -                         | 570,824                                | 218,619                   | 133,039    | 351,658    | 1.62     |  |  |  |  |
| 2013   | 553,946        | -                         | 553,946                                | 212,379                   | 129,518    | 341,897    | 1.62     |  |  |  |  |
| 2012   | 530,664        | -                         | 530,664                                | 180,589                   | 118,942    | 299,531    | 1.77     |  |  |  |  |
| 2011   | 509,368        | -                         | 509,368                                | 180,565                   | 118,598    | 299,163    | 1.70     |  |  |  |  |
| 2010   | 473,452        | -                         | 473,452                                | 157,180                   | 117,552    | 274,732    | 1.72     |  |  |  |  |
| 2009   | 500,012        | -                         | 500,012                                | 152,065                   | 113,199    | 265,264    | 1.88     |  |  |  |  |
| 2008   | 560,514        | -                         | 560,514                                | 145,505                   | 120,417    | 265,922    | 2.11     |  |  |  |  |
| 2007   | 545,699        | -                         | 545,699                                | 138,515                   | 125,698    | 264,213    | 2.07     |  |  |  |  |
| 2006   | 523,584        | -                         | 523,584                                | 116,840                   | 121,566    | 238,406    | 2.20     |  |  |  |  |
| <b>Civic Center Bond Fund - Pledged revenue of portion of sales tax collections</b>                |                |                           |  |                           |            |            |          |  |  |  |  |
| 2015   | \$ 19,000      | \$ -                      | \$ 19,000                              | \$ 11,415                 | \$ 2,492   | \$ 13,907  | 1.37     |  |  |  |  |
| 2014   | 19,000         | -                         | 19,000                                 | 10,705                    | 3,112      | 13,817     | 1.38     |  |  |  |  |
| 2013   | 19,000         | -                         | 19,000                                 | 10,095                    | 3,690      | 13,785     | 1.38     |  |  |  |  |
| 2012   | 19,000         | -                         | 19,000                                 | 9,555                     | 4,242      | 13,797     | 1.38     |  |  |  |  |
| 2011   | 19,000         | -                         | 19,000                                 | 9,085                     | 4,761      | 13,846     | 1.37     |  |  |  |  |
| 2010   | 19,000         | -                         | 19,000                                 | 8,595                     | 5,253      | 13,848     | 1.37     |  |  |  |  |
| 2009   | 19,000         | -                         | 19,000                                 | 8,100                     | 5,750      | 13,850     | 1.37     |  |  |  |  |
| 2008   | 19,000         | -                         | 19,000                                 | 7,610                     | 6,236      | 13,846     | 1.37     |  |  |  |  |
| 2007   | 19,000         | -                         | 19,000                                 | 7,175                     | 6,677      | 13,852     | 1.37     |  |  |  |  |
| 2006   | 19,000         | -                         | 19,000                                 | 6,790                     | 7,058      | 13,848     | 1.37     |  |  |  |  |
| <b>Illinois Student Assistance Commission - Pledged revenue of loans receivable repayments (a)</b> |                |                           |  |                           |            |            |          |  |  |  |  |
| 2015   | \$ 22,253      | \$ 9,103                  | \$ 13,150                              | \$ 54,134                 | \$ 3,848   | \$ 57,982  | 0.23     |  |  |  |  |
| 2014   | 25,371         | 15,256                    | 10,115                                 | 52,047                    | 4,527      | 56,574     | 0.18     |  |  |  |  |
| 2013   | 29,858         | 18,899                    | 10,959                                 | 92,362                    | 6,765      | 99,127     | 0.11     |  |  |  |  |
| 2012   | 36,110         | 26,091                    | 10,019                                 | 109,497                   | 8,530      | 118,027    | 0.08     |  |  |  |  |
| 2011   | 45,434         | 35,211                    | 10,223                                 | 982,105                   | 11,416     | 993,521    | 0.01     |  |  |  |  |
| 2010   | 55,073         | 32,859                    | 22,214                                 | 96,100                    | 10,516     | 106,616    | 0.21     |  |  |  |  |
| 2009   | 50,809         | 28,085                    | 22,724                                 | -                         | 17,988     | 17,988     | 1.26     |  |  |  |  |
| 2008   | 74,913         | 30,472                    | 44,441                                 | 150                       | 57,142     | 57,292     | 0.78     |  |  |  |  |
| 2007   | 192,214        | 90,691                    | 101,523                                | 40,135                    | 154,887    | 195,022    | 0.52     |  |  |  |  |
| 2006   | 163,023        | 91,585                    | 71,438                                 | 130,475                   | 132,548    | 263,023    | 0.27     |  |  |  |  |
| <b>Railsplitter Tobacco Settlement Authority - Pledged revenue of tobacco settlement funds (b)</b> |                |                           |  |                           |            |            |          |  |  |  |  |
| 2015   | \$ 261,917     | \$ 114,350                | \$ 147,567                             | \$ 76,820                 | \$ 71,869  | \$ 148,689 | 0.99     |  |  |  |  |
| 2014   | 270,085        | 123,917                   | 146,168                                | 70,860                    | 74,938     | 145,798    | 1.00     |  |  |  |  |
| 2013   | 273,681        | 131,267                   | 142,414                                | 63,550                    | 77,480     | 141,030    | 1.01     |  |  |  |  |
| 2012   | 275,468        | 133,160                   | 142,308                                | 59,375                    | 79,599     | 138,974    | 1.02     |  |  |  |  |
| 2011   | 402,666        | 248,429                   | 154,237                                | -                         | 38,252     | 38,252     | 4.03     |  |  |  |  |
| <b>Department of Employment Security - Pledged revenue of building receipts (c)</b>                |                |                           |  |                           |            |            |          |  |  |  |  |
| 2015   | \$ 414,406     | \$ -                      | \$ 414,406                             | \$ 433,140                | \$ 49,444  | \$ 482,584 | 0.86     |  |  |  |  |
| 2014   | 344,952        | -                         | 344,952                                | 215,480                   | 61,312     | 276,792    | 1.25     |  |  |  |  |
| 2013   | 193,699        | -                         | 193,699                                | 203,055                   | 57,583     | 260,638    | 0.74     |  |  |  |  |

- (a) The Commission redeemed \$59.950 million, \$2.608 billion, and \$690.180 million of principal by the sale of a portion of their student loan portfolio during fiscal years 2013, 2008, and 2007, respectively.
- (b) The Railsplitter Tobacco Settlement Authority, a blended component unit of the State, issued \$1.510 billion of Tobacco Settlement Revenue Bonds in December 2010.
- (c) The Department of Employment Security issued \$1.470 million of Unemployment Insurance Fund Building Receipts Revenue Bonds in July 2012.

**State of Illinois****Schedule 11****Pledged Revenue Coverage****Last Ten Fiscal Years**

(Amounts in Thousands)

| Fiscal Year  | Gross Revenues | Direct Operating Expenses | Net Revenue Available for Debt Service | Debt Service Requirements |            |            | Coverage |  |  |  |  |
|--|----------------|---------------------------|--|---------------------------|------------|------------|----------|--|--|--|--|
|  |                |                           |  | Principal                 | Interest   | Total      |          |  |  |  |  |
| <b>MAJOR COMPONENT UNITS</b>   |                |                           |  |                           |            |            |          |  |  |  |  |
| <b>Illinois Housing Development Authority - Pledged revenue of loans receivable repayments</b> |                |                           |  |                           |            |            |          |  |  |  |  |
| 2015   | \$ 56,126      | \$ 9,493                  | \$ 46,633                              | \$ 336,936                | \$ 41,163  | \$ 378,099 | 0.12     |  |  |  |  |
| 2014   | 66,045         | 10,675                    | 55,370                                 | 218,678                   | 49,851     | 268,529    | 0.21     |  |  |  |  |
| 2013   | 65,062         | 9,584                     | 55,478                                 | 349,020                   | 60,467     | 409,487    | 0.14     |  |  |  |  |
| 2012   | 81,132         | 11,933                    | 69,199                                 | 267,187                   | 57,897     | 325,084    | 0.21     |  |  |  |  |
| 2011   | 74,874         | 6,483                     | 68,391                                 | 243,050                   | 58,716     | 301,766    | 0.23     |  |  |  |  |
| 2010   | 83,711         | 5,861                     | 77,850                                 | 231,650                   | 66,863     | 298,513    | 0.26     |  |  |  |  |
| 2009   | 88,542         | 6,604                     | 81,938                                 | 116,119                   | 75,836     | 191,955    | 0.43     |  |  |  |  |
| 2008   | 106,031        | 6,653                     | 99,378                                 | 348,355                   | 80,330     | 428,685    | 0.23     |  |  |  |  |
| 2007   | 103,846        | 6,619                     | 97,227                                 | 355,485                   | 77,406     | 432,891    | 0.22     |  |  |  |  |
| 2006   | 91,301         | 7,478                     | 83,823                                 | 251,415                   | 70,237     | 321,652    | 0.26     |  |  |  |  |
| <b>Illinois State Toll Highway Authority - Pledged revenue of toll fees (d)</b>                |                |                           |  |                           |            |            |          |  |  |  |  |
| 2014   | \$ 1,100,033   | \$ 314,538                | \$ 785,495                             | \$ 92,855                 | \$ 240,893 | \$ 333,748 | 2.35     |  |  |  |  |
| 2013   | 1,068,367      | 296,793                   | 771,574                                | 56,365                    | 211,314    | 267,679    | 2.88     |  |  |  |  |
| 2012   | 995,573        | 269,094                   | 726,479                                | 53,040                    | 206,323    | 259,363    | 2.80     |  |  |  |  |
| 2011   | 728,578        | 266,506                   | 462,072                                | 49,910                    | 211,493    | 261,403    | 1.77     |  |  |  |  |
| 2010   | 706,445        | 277,282                   | 429,163                                | 1,065                     | 204,881    | 205,946    | 2.08     |  |  |  |  |
| 2009   | 785,593        | 283,106                   | 502,487                                | 97,150                    | 174,821    | 271,971    | 1.85     |  |  |  |  |
| 2008   | 836,557        | 406,169                   | 430,388                                | 50,030                    | 145,679    | 195,709    | 2.20     |  |  |  |  |
| 2007   | 675,190        | 252,529                   | 422,661                                | 47,350                    | 121,071    | 168,421    | 2.51     |  |  |  |  |
| 2006   | 660,874        | 219,292                   | 441,582                                | 45,035                    | 72,012     | 117,047    | 3.77     |  |  |  |  |
| 2005   | 642,620        | 215,796                   | 426,824                                | 13,455                    | 34,924     | 48,379     | 8.82     |  |  |  |  |
| <b>Illinois State University - Pledged revenue of usage fees and rental income</b>             |                |                           |  |                           |            |            |          |  |  |  |  |
| 2015   | \$ 87,449      | \$ 58,231                 | \$ 29,218                              | \$ 7,160                  | \$ 3,683   | \$ 10,843  | 2.69     |  |  |  |  |
| 2014   | 84,936         | 60,890                    | 24,046                                 | 2,755                     | 3,720      | 6,475      | 3.71     |  |  |  |  |
| 2013   | 81,249         | 57,399                    | 23,850                                 | 14,590                    | 4,285      | 18,875     | 1.26     |  |  |  |  |
| 2012   | 87,124         | 64,890                    | 22,234                                 | 6,190                     | 3,758      | 9,948      | 2.24     |  |  |  |  |
| 2011   | 83,258         | 61,508                    | 21,750                                 | 6,280                     | 3,839      | 10,119     | 2.15     |  |  |  |  |
| 2010   | 82,139         | 64,864                    | 17,275                                 | 5,380                     | 3,894      | 9,274      | 1.86     |  |  |  |  |
| 2009   | 78,019         | 54,617                    | 23,402                                 | 5,330                     | 4,058      | 9,388      | 2.49     |  |  |  |  |
| 2008   | 75,181         | 53,912                    | 21,269                                 | 5,265                     | 2,647      | 7,912      | 2.69     |  |  |  |  |
| 2007   | 71,720         | 50,346                    | 21,374                                 | 5,185                     | 2,757      | 7,942      | 2.69     |  |  |  |  |
| 2006   | 64,599         | 49,513                    | 15,086                                 | 5,095                     | 1,175      | 6,270      | 2.41     |  |  |  |  |
| <b>Northern Illinois University - Pledged revenue of usage fees and rental income</b>          |                |                           |  |                           |            |            |          |  |  |  |  |
| 2015   | \$ 80,768      | \$ 64,079                 | \$ 16,689                              | \$ 3,890                  | \$ 13,300  | \$ 17,190  | 0.97     |  |  |  |  |
| 2014   | 80,797         | 67,566                    | 13,231                                 | 3,729                     | 13,301     | 17,030     | 0.78     |  |  |  |  |
| 2013   | 85,191         | 83,957                    | 1,234                                  | 6,295                     | 13,403     | 19,698     | 0.06     |  |  |  |  |
| 2012   | 86,240         | 71,704                    | 14,536                                 | 6,930                     | 14,296     | 21,226     | 0.68     |  |  |  |  |
| 2011   | 78,426         | 67,201                    | 11,225                                 | 6,300                     | 3,857      | 10,157     | 1.11     |  |  |  |  |
| 2010   | 77,446         | 58,863                    | 18,583                                 | 6,175                     | 3,977      | 10,152     | 1.83     |  |  |  |  |
| 2009   | 77,095         | 66,095                    | 11,000                                 | 6,060                     | 4,090      | 10,150     | 1.08     |  |  |  |  |
| 2008   | 76,692         | 66,080                    | 10,612                                 | 5,945                     | 4,204      | 10,149     | 1.05     |  |  |  |  |
| 2007   | 76,742         | 69,751                    | 6,991                                  | 5,840                     | 4,311      | 10,151     | 0.69     |  |  |  |  |
| 2006   | 72,426         | 53,745                    | 18,681                                 | 5,740                     | 4,406      | 10,146     | 1.84     |  |  |  |  |

(d) The Illinois State Toll Highway Authority fiscal year is from January 1 to December 31.

***State of Illinois*****Schedule 11****Pledged Revenue Coverage****Last Ten Fiscal Years**

(Amounts in Thousands)

| Fiscal Year  | Gross Revenues | Direct Operating Expenses | Net Revenue Available for Debt Service | Debt Service Requirements |           |            | Coverage |
|--|----------------|---------------------------|--|---------------------------|-----------|------------|----------|
|  |                |                           |  | Principal                 | Interest  | Total      |          |
| <b>Southern Illinois University - Pledged revenue of usage fees, rental income, and medical fees</b> |                |                           |  |                           |           |            |          |
| 2015   | \$ 162,707     | \$ 120,094                | \$ 42,613                              | \$ 18,645                 | \$ 10,061 | \$ 28,706  | 1.48     |
| 2014   | 155,028        | 117,631                   | 37,397                                 | 17,805                    | 10,495    | 28,300     | 1.32     |
| 2013   | 151,239        | 115,212                   | 36,027                                 | 18,100                    | 10,415    | 28,515     | 1.26     |
| 2012   | 153,006        | 118,090                   | 34,916                                 | 19,790                    | 10,536    | 30,326     | 1.15     |
| 2011   | 146,101        | 110,760                   | 35,341                                 | 16,120                    | 10,661    | 26,781     | 1.32     |
| 2010   | 141,220        | 105,452                   | 35,768                                 | 13,190                    | 10,693    | 23,883     | 1.50     |
| 2009   | 137,463        | 106,839                   | 30,624                                 | 12,815                    | 8,437     | 21,252     | 1.44     |
| 2008   | 125,666        | 101,535                   | 24,131                                 | 12,365                    | 7,592     | 19,957     | 1.21     |
| 2007   | 116,481        | 92,345                    | 24,136                                 | 10,920                    | 7,430     | 18,350     | 1.32     |
| 2006   | 104,713        | 86,382                    | 18,331                                 | 8,735                     | 5,392     | 14,127     | 1.30     |
| <b>University of Illinois - Pledged revenue of usage fees, rental income, and medical fees</b>       |                |                           |  |                           |           |            |          |
| 2015   | \$ 1,243,699   | \$ 1,158,801              | \$ 84,898                              | \$ 46,870                 | \$ 53,236 | \$ 100,106 | 0.85     |
| 2014   | 1,196,041      | 1,117,078                 | 78,963                                 | 46,130                    | 46,754    | 92,884     | 0.85     |
| 2013   | 1,195,843      | 1,100,918                 | 94,925                                 | 42,100                    | 46,821    | 88,921     | 1.07     |
| 2012   | 1,115,945      | 1,023,263                 | 92,682                                 | 38,895                    | 47,070    | 85,965     | 1.08     |
| 2011   | 1,013,468      | 937,189                   | 76,279                                 | 35,425                    | 45,781    | 81,206     | 0.94     |
| 2010   | 1,021,060      | 894,862                   | 126,198                                | 34,200                    | 44,880    | 79,080     | 1.60     |
| 2009   | 896,275        | 797,980                   | 98,295                                 | 32,265                    | 43,325    | 75,590     | 1.30     |
| 2008   | 883,813        | 784,154                   | 99,659                                 | 30,330                    | 44,631    | 74,961     | 1.33     |
| 2007   | 841,998        | 737,499                   | 104,499                                | 29,710                    | 41,118    | 70,828     | 1.48     |
| 2006   | 793,906        | 712,608                   | 81,298                                 | 24,080                    | 34,643    | 58,723     | 1.38     |

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***State of Illinois*****Demographic and Economic Statistics****Last Ten Calendar Years****(Amounts in Thousands)**

|                                   | 2014              | 2013              | 2012              | 2011              | 2010              | For the Calendar |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|
| <b>Population</b>                 |                   |                   |                   |                   |                   |                  |
| State                             | 12,881            | 12,891            | 12,874            | 12,859            | 12,840            |                  |
| Percentage change                 | -0.08%            | 0.13%             | 0.12%             | 0.15%             | 0.34%             |                  |
| National                          | 318,857           | 316,498           | 314,112           | 311,722           | 309,347           |                  |
| Percentage change                 | 0.75%             | 0.76%             | 0.77%             | 0.77%             | 0.84%             |                  |
| <b>Total Personal Income</b>      |                   |                   |                   |                   |                   |                  |
| State                             | \$ 613,671,539    | \$ 599,118,968    | \$ 593,049,235    | \$ 569,680,879    | \$ 541,261,128    |                  |
| Percentage change                 | 2.43%             | 1.02%             | 4.10%             | 5.25%             | 1.81%             |                  |
| National                          | \$ 14,683,147,000 | \$ 14,064,468,000 | \$ 13,904,485,000 | \$ 13,233,436,000 | \$ 12,459,613,000 |                  |
| Percentage change                 | 4.40%             | 1.15%             | 5.07%             | 6.21%             | 3.15%             |                  |
| <b>Per Capita Personal Income</b> |                   |                   |                   |                   |                   |                  |
| State                             | \$ 47,643         | \$ 46,477         | \$ 46,067         | \$ 44,303         | \$ 42,154         |                  |
| Percentage change                 | 2.51%             | 0.89%             | 3.98%             | 5.10%             | 1.50%             |                  |
| National                          | \$ 46,049         | \$ 44,438         | \$ 44,266         | \$ 42,453         | \$ 40,277         |                  |
| Percentage change                 | 3.63%             | 0.39%             | 4.27%             | 5.40%             | 2.29%             |                  |
| <b>Labor Force</b>                |                   |                   |                   |                   |                   |                  |
| State labor force                 | 6,524             | 6,555             | 6,584             | 6,586             | 6,625             |                  |
| Employed                          | 6,064             | 5,961             | 5,992             | 5,949             | 5,937             |                  |
| Unemployed                        | 460               | 594               | 592               | 637               | 688               |                  |
| Unemployment rate                 | 7.1%              | 9.1%              | 9.0%              | 9.7%              | 10.4%             |                  |

Source: U.S. Bureau of Economic Analysis and Department of Employment Security

**Schedule 12**

**Year Ended,**

|                   | <b>2009</b>       | <b>2008</b>       | <b>2007</b>       | <b>2006</b>       | <b>2005</b> |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------|
| 12,797            | 12,747            | 12,696            | 12,644            | 12,610            |             |
| 0.39%             | 0.40%             | 0.41%             | 0.27%             | 0.16%             |             |
| 306,772           | 304,094           | 301,231           | 298,380           | 295,517           |             |
| 0.88%             | 0.95%             | 0.96%             | 0.97%             | 0.93%             |             |
| \$ 531,645,236    | \$ 552,435,750    | \$ 532,587,009    | \$ 504,493,021    | \$ 472,072,676    |             |
| -3.76%            | 3.73%             | 5.57%             | 6.87%             | 3.64%             |             |
| \$ 12,079,444,000 | \$ 12,492,705,000 | \$ 11,995,419,000 | \$ 11,381,350,000 | \$ 10,610,320,000 |             |
| -3.31%            | 4.15%             | 5.40%             | 7.27%             | 5.65%             |             |
| \$ 41,529         | \$ 43,620         | \$ 42,360         | \$ 40,219         | \$ 37,692         |             |
| -4.79%            | 2.97%             | 5.32%             | 6.70%             | 4.18%             |             |
| \$ 39,376         | \$ 41,082         | \$ 39,821         | \$ 38,144         | \$ 35,904         |             |
| -4.15%            | 3.17%             | 4.40%             | 6.24%             | 4.68%             |             |
| 6,619             | 6,657             | 6,666             | 6,526             | 6,398             |             |
| 5,943             | 6,238             | 6,334             | 6,231             | 6,034             |             |
| 676               | 419               | 332               | 295               | 364               |             |
| 10.2%             | 6.3%              | 5.0%              | 4.5%              | 5.7%              |             |

***State of Illinois***  
**Principal Employers**  
**Fiscal Years 2015 and 2006**

**Schedule 13**

| <b>Employer</b>        | <b>Employees</b> | <b>2015</b> | <b>Percentage<br/>of Total State<br/>Employment</b> |
|------------------------|------------------|-------------|---|
|                        |                  | <b>2006</b> |   |
| State of Illinois      | 64,470           |             | 1.06%   |
| AB Acquisitions LLC    | 62,016           |             | 1.02%   |
| U.S. Government        | 51,600           |             | 0.85%   |
| Wal-Mart               | 49,672           |             | 0.82%   |
| Chicago School Board   | 38,933           |             | 0.64%   |
| Walgreen Co.           | 31,302           |             | 0.52%   |
| City of Chicago        | 30,345           |             | 0.50%   |
| University of Illinois | 29,694           |             | 0.49%   |
| U.S. Postal Service    | 28,100           |             | 0.46%   |
| USF Holding Corp.      | 26,484           |             | 0.44%   |
| Total                  | <b>412,616</b>   |             | <b>6.80%</b>  |
|                        |                  |             |   |
|                        |                  | <b>2006</b> |   |
| <b>Employer</b>        | <b>Employees</b> |             | <b>Percentage<br/>of Total State<br/>Employment</b> |
| U.S. Government        | 88,200           |             | 1.46%   |
| State of Illinois      | 72,903           |             | 1.21%   |
| Chicago School Board   | 41,900           |             | 0.69%   |
| Walmart                | 41,100           |             | 0.68%   |
| City of Chicago        | 38,900           |             | 0.64%   |
| Jewel-Osco             | 33,500           |             | 0.56%   |
| University of Illinois | 28,500           |             | 0.47%   |
| Cook County            | 25,500           |             | 0.42%   |
| Advocate Health Care   | 25,300           |             | 0.42%   |
| Caterpillar Inc.       | 24,500           |             | 0.41%   |
| Total                  | <b>420,303</b>   |             | <b>6.97%</b>  |

Source: Department of Commerce and Economic Opportunity and various employer websites

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***State of Illinois*****Employees by Function****Last Ten Fiscal Years**

|                                     | Employees as of |               |               |               |               |
|-------------------------------------|-----------------|---------------|---------------|---------------|---------------|
|                                     | 2015            | 2014          | 2013          | 2012          | 2011          |
| Health and social services          | 20,939          | 20,466        | 19,275        | 19,976        | 21,519        |
| Education                           | 696             | 724           | 723           | 713           | 727           |
| General government                  | 11,233          | 11,476        | 11,396        | 11,286        | 11,905        |
| Employment and economic development | 2,204           | 2,305         | 2,466         | 2,990         | 3,119         |
| Transportation                      | 7,122           | 7,351         | 7,475         | 7,386         | 7,529         |
| Public protection and justice       | 18,313          | 17,675        | 17,642        | 18,013        | 19,134        |
| Environment and business regulation | 3,963           | 4,058         | 3,859         | 3,964         | 4,213         |
| Total                               | <b>64,470</b>   | <b>64,055</b> | <b>62,836</b> | <b>64,328</b> | <b>68,146</b> |

**Schedule 14**

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**June 30,**

| <b>2010</b>   | <b>2009</b>   | <b>2008</b>   | <b>2007</b>   | <b>2006</b>   |
|---------------|---------------|---------------|---------------|---------------|
| 21,258        | 21,912        | 22,701        | 22,784        | 23,230        |
| 778           | 767           | 758           | 750           | 763           |
| 11,534        | 12,205        | 12,366        | 12,515        | 12,421        |
| 3,303         | 3,287         | 3,074         | 3,213         | 3,366         |
| 7,662         | 7,574         | 7,638         | 8,407         | 8,098         |
| 18,903        | 18,886        | 18,913        | 19,793        | 20,181        |
| 4,304         | 4,398         | 4,694         | 4,850         | 4,844         |
| <b>67,742</b> | <b>69,029</b> | <b>70,144</b> | <b>72,312</b> | <b>72,903</b> |

**State of Illinois**

**Operating Indicators by Function/Program**

**Last Ten Fiscal Years**

| <b>Function/Program</b>  | <b>For the Fiscal Year</b> |             |             |             |             |
|--|----------------------------|-------------|-------------|-------------|-------------|
|  | <b>2015</b>                | <b>2014</b> | <b>2013</b> | <b>2012</b> | <b>2011</b> |
| <b>Health and Social Services</b>  |                            |             |             |             |             |
| Child abuse and neglect  |                            |             |             |             |             |
| Calls to abuse/neglect hotline   | 222,719                    | 231,536     | 236,589     | 253,444     | 258,999     |
| Children investigated  | 110,079                    | 109,769     | 108,594     | 106,220     | 101,508     |
| Medical programs   |                            |             |             |             |             |
| Number of children enrolled in medical programs                                      | 1,504,802                  | 1,546,091   | 1,635,686   | 1,685,822   | 1,663,260   |
| Number of non-senior adults enrolled in medical programs*                            | 1,247,553                  | 1,027,702   | 663,844     | 635,262     | 621,851     |
| Child support  |                            |             |             |             |             |
| Number of child support cases with orders  | 392,331                    | 404,918     | 406,748     | 404,752     | 410,433     |
| Persons with disabilities receiving in-home services to prevent institutionalization | 29,595                     | 30,357      | 31,406      | 32,820      | 38,682      |
| Immunization rates of children under age two   | 45%                        | 76%         | 83%         | 77%         | 83%         |
| <b>General government</b>  |                            |             |             |             |             |
| Taxes  |                            |             |             |             |             |
| Number of individual income tax returns processed                                    | 6,185,708                  | 6,143,408   | 5,946,121   | 5,961,003   | 5,961,385   |
| Percent of individual income tax returns filed electronically                        | 81%                        | 79%         | 79%         | 78%         | 71%         |
| Total number of payments processed through State Treasury                            | 14,992,358                 | 15,209,821  | 15,357,708  | 15,337,111  | 16,143,902  |
| <b>Education</b>   |                            |             |             |             |             |
| Elementary and secondary education   |                            |             |             |             |             |
| Public school enrollment   | 2,054,556                  | 2,073,480   | 2,081,731   | 2,087,628   | 2,087,762   |
| Graduation rate  | 85.6%                      | 86.0%       | 83.2%       | 82.3%       | 83.8%       |
| Dropout rate   | 2.3%                       | 2.2%        | 2.4%        | 2.5%        | 2.7%        |
| Higher education   |                            |             |             |             |             |
| Enrollment   | Not available              | 806,467     | 863,542     | 884,053     | 924,749     |
| <b>Transportation</b>  |                            |             |             |             |             |
| Miles of pavement maintained/improved  | 1,379                      | 894         | 661         | 921         | 931         |
| Number of bridges maintained/improved  | 188                        | 222         | 183         | 262         | 263         |
| <b>Employment and economic development</b>   |                            |             |             |             |             |
| Unemployment insurance **  |                            |             |             |             |             |
| Number of claims   | 630,594                    | 725,979     | 781,394     | 763,319     | 863,328     |
| Average duration (weeks)   | 17.99                      | 17.92       | 17.97       | 19.01       | 21.34       |
| State Fair   |                            |             |             |             |             |
| State Fair attendees   | 411,547                    | 847,690     | 961,063     | 918,534     | 817,393     |
| DuQuoin State Fair attendees   | 315,808                    | 350,000     | 258,000     | 285,100     | 351,000     |
| Tourism  |                            |             |             |             |             |
| Historic site attendance (in thousands)  | 2,100                      | 1,915       | 1,935       | 1,990       | 1,940       |
| <b>Public protection and justice</b>   |                            |             |             |             |             |
| Crime Rates  |                            |             |             |             |             |
| Violent crime rates per 100,000 in population **                                     | 370                        | 373         | 415         | 429         | 435         |
| Property crime rates per 100,000 in population **                                    | 2,076                      | 2,274       | 2,579       | 2,689       | 2,681       |
| Total crime rates per 100,000 in population  | 2,446                      | 2,647       | 2,994       | 3,118       | 3,116       |
| Forensic services  |                            |             |             |             |             |
| Number of original crime scenes processed  | 3,630                      | 3,736       | 2,337       | 2,328       | 2,529       |
| Number of Deoxyribonucleic Acid (DNA) cases worked                                   | 5,704                      | 6,086       | 4,790       | 4,982       | 5,225       |
| Total number of forensic cases worked  | 83,594                     | 91,878      | 94,550      | 101,076     | 104,043     |
| Number of DNA offender samples worked  | 31,992                     | 33,901      | 31,766      | 29,589      | 30,736      |
| <b>Environment and business regulation</b>   |                            |             |             |             |             |
| Professional Regulation  |                            |             |             |             |             |
| Professional complaints received   | 8,893                      | 10,875      | 11,765      | 12,466      | 10,634      |
| Licenses placed on probation   | 440                        | 446         | 527         | 470         | 431         |

\* Fluctuation due to the implementation of the Affordable Care Act in fiscal year 2014.

\*\* Statistics for unemployment insurance and crime rates are based on the previous ending calendar year.

**Schedule 15**

| <b>Ended or as of June 30,</b>      |                                     |                                     |                                     |                                      |
|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------------------|
| <b>2010</b>                         | <b>2009</b>                         | <b>2008</b>                         | <b>2007</b>                         | <b>2006</b>                          |
| 256,492<br>109,186                  | 258,237<br>111,574                  | 266,011<br>111,869                  | 258,563<br>111,746                  | 257,481<br>110,225                   |
| 1,628,782<br>606,680                | 1,553,227<br>562,689                | 1,457,829<br>580,760                | 1,369,050<br>545,502                | 1,216,983<br>498,195                 |
| 404,800                             | 394,123                             | 390,745                             | 420,004                             | 398,888                              |
| 39,165<br>81%                       | 39,412<br>78%                       | 38,093<br>78%                       | 36,858<br>83%                       | 35,916<br>87%                        |
| 5,946,127<br>60%                    | 6,132,529<br>56%                    | 6,119,040<br>52%                    | 5,963,636<br>46%                    | 5,712,563<br>44%                     |
| 16,050,005                          | 15,912,093                          | 15,623,763                          | 15,512,005                          | 15,092,629                           |
| 2,112,132<br>87.8%<br>3.8%          | 2,112,132<br>87.1%<br>3.5%          | 2,113,435<br>86.5%<br>4.1%          | 2,118,692<br>85.9%<br>3.5%          | 2,111,706<br>87.8%<br>3.5%           |
| 914,763                             | 867,090                             | 821,026                             | 814,189                             | 805,764                              |
| 2,620<br>292                        | 2,528<br>293                        | 933<br>272                          | 908<br>274                          | 820<br>255                           |
| 1,221,195<br>20.63                  | 872,368<br>16.71                    | 696,109<br>17.31                    | 670,402<br>17.34                    | 702,725<br>18.23                     |
| 673,223<br>353,100                  | 737,052<br>331,000                  | 613,000<br>298,000                  | 703,000<br>330,000                  | 672,615<br>298,286                   |
| 2,200                               | 2,010                               | 2,206                               | 2,221                               | 2,498                                |
| 509<br>2,790<br>3,299               | 540<br>3,010<br>3,550               | 548<br>3,014<br>3,562               | 562<br>3,127<br>3,689               | 569<br>3,171<br>3,740                |
| 2,594<br>5,284<br>111,669<br>33,025 | 3,081<br>4,590<br>115,044<br>35,722 | 3,138<br>3,390<br>112,644<br>37,937 | 3,457<br>2,830<br>119,045<br>46,647 | 4,816<br>3,464<br>116,192<br>106,374 |
| 11,159<br>603                       | 13,800<br>530                       | 10,912<br>455                       | 9,498<br>344                        | 9,024<br>419                         |

***State of Illinois*****Capital Asset and Infrastructure Statistics by Function/Program****Last Ten Fiscal Years**

|                                     | For the Fiscal Year |         |         |         |         |
|-------------------------------------|---------------------|---------|---------|---------|---------|
|                                     | 2015                | 2014    | 2013    | 2012    | 2011    |
| Health and social services          |                     |         |         |         |         |
| Mental health facilities            | 14                  | 14      | 14      | 17      | 17      |
| Veterans homes                      | 4                   | 4       | 4       | 4       | 4       |
| Transportation                      |                     |         |         |         |         |
| Highway miles                       | 17,085              | 15,989  | 15,994  | 16,000  | 16,018  |
| Bridges                             | 7,823               | 7,770   | 7,770   | 7,734   | 7,726   |
| Public protection and justice       |                     |         |         |         |         |
| Adult correctional facilities       | 25                  | 25      | 25      | 27      | 27      |
| Juvenile correctional facilities    | 6                   | 6       | 6       | 8       | 8       |
| Environment and business regulation |                     |         |         |         |         |
| State park acreage                  | 475,304             | 469,870 | 474,813 | 473,761 | 473,500 |
| Protected natural area acreage      | 108,343             | 106,741 | 104,815 | 99,866  | 96,255  |

Note: No capital asset indicators are available for the education, general government, and employment and economic development functions.

**Schedule 16**

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**Ended or as of June 30,**

| <b>2010</b>       | <b>2009</b>       | <b>2008</b>       | <b>2007</b>       | <b>2006</b>       |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| 18<br>4           | 18<br>4           | 18<br>4           | 18<br>4           | 18<br>4           |
| 16,057<br>7,708   | 16,075<br>7,693   | 16,090<br>7,844   | 16,398<br>8,284   | 16,430<br>8,296   |
| 27<br>10          | 28<br>8           | 28<br>8           | 28<br>8           | 27<br>8           |
| 470,649<br>93,662 | 469,244<br>89,399 | 373,857<br>89,764 | 371,793<br>89,731 | 499,515<br>87,731 |